

**THE NATIONAL UNIVERSITY OF ADVANCED LEGAL STUDIES,
KOCHI**



**DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENT FOR THE AWARD OF DEGREE OF MASTER OF
LAWS IN PUBLIC HEALTH LAW (2024 - 2025)**

**ON THE TOPIC
EVALUATING THE FEASIBILITY OF IMPACT BASED PENALTIES
UNDER THE MOTOR VEHICLES ACT: A PUBLIC HEALTH
PERSPECTIVE**

**Under The Guidance and Supervision Of
Dr. LINA ACCA MATTHEW, REGISTRAR,
THE NATIONAL UNIVERSITY OF ADVANCED LEGAL STUDIES, KOCHI**

Submitted by: DEVANARAYANAN A.B.

Register No: LM0324010

LL.M. (PUBLIC HEALTH LAW)

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CERTIFICATE

This is to certify that **Devanarayanan A.B.**, REG NO: **LM0324010** has submitted his Dissertation titled – “**Evaluating The Feasibility of Impact Based Penalties Under The Motor Vehicles Act: A Public Health Perspective**” in partial fulfilment of the requirement for the award of Degree in Master of Laws in **Public Health Law** to the **National University of Advanced Legal Studies, Kochi** under my guidance and supervision. It is also affirmed that the dissertation submitted by his is original, bona fide and genuine.

Date: **28th May, 2025**

Place: **Ernakulam**

Dr. Lina Acca Matthew,
REGISTRAR,
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NUALS, KOCHI

DECLARATION

I, **Devanarayanan A.B.**, do hereby declare that this dissertation work titled “**Evaluating The Feasibility of Impact Based Penalties Under The Motor Vehicles Act: A Public Health Perspective**” researched and submitted by me to **the National University of Advanced Legal Studies** in partial fulfilment of the requirement for the award of the degree of Master of Laws in **Public Health Law** under the guidance and supervision of **Dr. Lina Acca Matthew, Registrar, the National University of Advanced Legal Studies** is an Original, Bonafide and Legitimate work. It has been pursued for an academic interest. This work or any type thereof has not been submitted by me or anyone else for the award of another degree of either this university or any other university.

Date: **28th May, 2025**

Place: **Ernakulam**

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LIST OF ABBREVIATIONS

S. No.	ABBREVIATIONS	EXPANSIONS
1.	MV Act	Motor Vehicles Act, 1988
2.	TRIP Centre	Transportation Research and Injury Prevention Centre
3.	IIT Delhi	Indian Institute of Technology, Delhi
4.	WHO	World Health Organization
5.	GBD	Globad Burden of Disease
6.	NRI	Non-Resident India
7.	BPL	Below Poverty Line
8.	PAN	Permanent Account Number
9.	SDG	Sustainable Development Goals
10.	ECHR	European Court of Human Rights
11.	ICCPR	International Covenant on Civil and Political Rights
12.	API	Application Programming Interface
13.	MeitY	Ministry of Electronics and Information Technology
14.	MoRTH	Ministry of Road Transport and Highways
15.	VAHAN	Vehicle Registration Platform, India
16.	SARATHI	Driving License Issuance Platform, India
17.	PM-KISAN	Pradhan Mantri Kisan Samman Nidhi Yojana
18.	CoWIN	COVID Vaccine Intelligence Network
19.	PDS	Public Distribution System

20.	DALYs	Disability Adjusted Life Years
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LIST OF CASES

S.No.	CASE TITLE	CITATION
1)	E.P. Royappa v. State of Tamil Nadu	(1974) 4 SCC 3
2)	Maneka Gandhi v. Union of India	(1978) 1 SCC 248
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9)	Consumer Education and Research Centre v. Union of India	(1995) 3 SCC 547
10)	Occupational Health and Safety Association v. Union of India	(2014) 3 SCC 547
11)	President of the Republic of South Africa v. Hugo	(1997) ZACC 4
12)	Sergey Zolotukhin v. Russia	Appn. No. 14939/03

CHAPTER 1

INTRODUCTION

The genesis of this dissertation lies not in a textbook or academic journal, but in an everyday moment that sparked a deeper reflection. While watching a YouTube video by a well-known dermatologist originally from Kerala but now settled in Dubai, I was struck by a casual comment she made. Reflecting on her driving experiences in the United Arab Emirates versus India, she remarked that her road behaviour drastically differed between the two countries. In Dubai, where traffic fines are significantly high and strictly enforced, the consequences of even a minor infraction took a visible toll on her finances—forcing her to comply meticulously with road safety regulations. However, when she returned to India, the comparatively nominal fines under the Motor Vehicles Act, 1988 (MV Act) had little to no impact on her conduct behind the wheel. This candid observation brought to light an intuitive but often overlooked reality: the deterrent effect of a penalty is not just about its legal standing but its economic sting.

This anecdotal insight quickly evolved into a profound question that forms the backbone of this research: Can a uniform fine system effectively deter all individuals in a socioeconomically stratified country like India? More specifically, does a fixed monetary penalty under the MV Act create meaningful behavioural change across income classes—or does it simply criminalize the poor and trivialize infractions by the rich?

At its core, this dissertation argues that traffic fines—like any legal penalty—derive their efficacy from their capacity to deter. Deterrence is not a theoretical construct; it is a function of perceived cost versus benefit. If a fine does not inflict any meaningful cost, especially on the affluent, then it fails its most basic purpose. Conversely, if the same fine imposes disproportionate hardship on low-income individuals, it becomes not just ineffective but unjust. This asymmetry in the deterrent value of flat-rate fines in India forms the ethical, legal, and public policy concern that this research seeks to address.

The Motor Vehicles Act, 1988, as amended by the Motor Vehicles (Amendment) Act, 2019, introduced enhanced penalties for a range of traffic violations, from speeding to drunk driving. However, it continued to follow a one-size-fits-all approach to penalties, with no differentiation based on the violator's income. While the amendments were meant to bolster

road safety and reduce traffic violations, they have inadvertently intensified the socioeconomic inequities embedded within the legal system. This raises pressing concerns—not only about the fairness of the law but also its constitutional, economic, and public health implications.

1.1. Why Income-Based Penalties?

India's socio-economic landscape is characterized by vast disparities in income, access, and opportunity. A ₹2,000 fine might be a crippling cost for a daily wage labourer earning ₹500 a day, but it is negligible to a high-income professional, let alone an NRI driving a luxury car. The fundamental flaw here is that while the violation remains the same, the burden of punishment does not. This not only violates principles of distributive justice but also undermines legal deterrence.

International jurisdictions have grappled with similar challenges and responded with innovative solutions. Countries like Finland, Germany, and Switzerland have adopted day-fine systems, where penalties are calibrated based on the violator's income. This ensures that every offender feels the financial pinch in proportion to their capacity. These models have not only enhanced deterrence but also restored public faith in law enforcement. Chapter 2 of this dissertation explores these comparative systems and highlights their relevance for Indian conditions.

1.2. Scope of the Dissertation

This dissertation proceeds in five chapters, each anchored in a different dimension of the central issue:

Chapter 2 provides the theoretical and comparative foundation, focusing on the limitations of fixed penalties in unequal societies. It introduces the concept of income-based fines and examines how nations like Finland and Germany have operationalized these frameworks. The chapter further analyzes philosophical underpinnings rooted in deterrence theory, behavioural economics, and Rawlsian justice.

Chapter 3 shifts the focus to Indian legal doctrine, analyzing key constitutional provisions such as Article 14 (equality before the law) and Article 21 (right to life and dignity), along with landmark case laws that interpret these rights through the lens of proportionality and fairness. This chapter also delves into policy documents, government reports, and expert committee recommendations, offering a comprehensive view of how India's current legal regime handles (or fails to handle) socioeconomic inequality in traffic enforcement.

Chapter 4 frames the discussion from a public health perspective. Road accidents are not merely legal infractions but also a leading cause of death and injury in India, particularly among economically vulnerable populations. The chapter argues that income-based penalties can contribute to improved road safety outcomes, lower fatality rates, and more efficient public health interventions. Here, the dissertation aligns deterrence theory with ethical public policy goals.

Chapter 5 offers policy recommendations and conclusions, suggesting practical ways to implement a tiered fine system using existing digital infrastructure such as Aadhaar, PAN, and the Parivahan database. The chapter also proposes a pilot model to test feasibility, scalability, and public acceptance in digitally mature states like Kerala.

1.3. Objectives of the Study

1. To evaluate whether fixed monetary penalties under the MV Act create meaningful deterrence across different income brackets.
2. To explore the constitutional and legal permissibility of a tiered, income-sensitive fine system.
3. To analyze international models of day-fines and their relevance to the Indian context.
4. To recommend feasible legal, administrative, and digital reforms for implementing differentiated penalties.

1.4. Significance of the Study

This study is significant for several reasons. First, it touches upon access to justice—not merely in courtrooms but on the streets, where the law interfaces with citizens in their everyday lives. Second, it proposes a reimagining of deterrence, not as a blunt tool but as a calibrated, ethical mechanism that adjusts for economic diversity. Third, it introduces a public health rationale to legal enforcement, emphasizing that traffic regulation is not just a legal concern but a tool of preventive healthcare. Finally, it places India within a global conversation about fairness, efficiency, and rights-based governance.

1.5. Research Methodology

The research methodology adopted in this dissertation is primarily qualitative and doctrinal, supplemented with comparative and interdisciplinary insights. The following approaches have been utilized:

Doctrinal Legal Research: A thorough review of statutes, judicial precedents, constitutional provisions (particularly Articles 14 and 21), and policy documents underpins the legal analysis. Landmark Indian Supreme Court cases such as *E.P. Royappa v. State of Tamil Nadu*, *Maneka Gandhi v. Union of India*, and *Modern Dental College v. State of Madhya Pradesh* form the backbone of the constitutional inquiry.

Comparative Jurisprudence: Jurisdictions like Finland, Germany, Switzerland, and Sweden have implemented income-based fines, offering successful templates for proportionate legal enforcement. Their penal codes, enforcement data, and public opinion surveys have been examined to identify relevant parallels.

Public Health Analysis: Drawing on reports from the TRIP Centre at IIT Delhi, WHO, and the Global Burden of Disease Study, the dissertation connects legal enforcement with the larger public health crisis arising from traffic-related injuries and fatalities.

Behavioural and Economic Theory: Rational choice theory, marginal utility theory, and the writings of behavioural economists like Cass Sunstein, Daniel Kahneman, and Richard Thaler support the argument that law must align with real human behaviour—not just legal abstractions.

Empirical Trends: Where available, data from the Road Safety in India: Status Report 2023, traffic enforcement records, and income distribution statistics are used to validate claims about recidivism, inequality, and enforcement patterns.

1.6. Delimitations of the Study

This dissertation is confined to traffic fines imposed under the Motor Vehicles Act, 1988, and does not examine broader criminal penalties or civil infractions. It also primarily focuses on road users in India, with comparative references only to similar jurisdictions. Additionally, the study does not include in-depth statistical modelling but relies on secondary data from credible reports, government publications, and peer-reviewed journals.

1.7. Relevance to Legal and Policy Discourse

In the context of India's growing urbanization, income disparity, and digitization, the present research is timely and policy-relevant. It aligns with national goals under the National Road Safety Policy, the Digital India Mission, and the Sustainable Development Goals (SDGs), particularly SDG 3.6 (reducing road injuries and deaths) and SDG 10 (reducing inequality).

The dissertation also contributes to the emerging field of Public Health Law, offering an interdisciplinary blueprint for how law can serve both regulatory and welfare functions. Income-based fines are not merely an innovation in traffic enforcement—they are a step toward humanizing governance, restoring trust in public institutions, and aligning deterrence with dignity.

CHAPTER 2

THEORETICAL FRAMEWORK AND CONCEPT OF INCOME-BASED PENALTIES

2.1. The Problem of Uniform Fines in an Unequal Society

In a country as socioeconomically diverse and economically stratified as India, the effectiveness of legal instruments such as fixed-rate traffic penalties must be critically examined, especially in light of their distributive impacts. The Motor Vehicles Act, 1988, particularly after its amendment in 2019, prescribes standardized fines for traffic violations such as over-speeding, driving without a license, and drunk driving. These fines are imposed uniformly, with no differentiation based on the violator's income level or economic background. While this ostensibly satisfies the principle of formal legal equality—treating all violators the same—it significantly overlooks the deeper realities of economic inequality in Indian society, thereby undermining the principle of substantive justice. In real terms, a fine of ₹2,000 levied on a daily wage worker or a rickshaw puller could equate to several days' worth of income, potentially derailing their household finances. For a high-income executive or luxury vehicle owner, the same fine is nothing more than a minor inconvenience—an amount they might spend casually on a coffee or valet parking. In this way, the uniform fine model inadvertently becomes regressive, impacting the poor more harshly than the rich, and effectively exempting the affluent from meaningful accountability.

This structural imbalance in how penalties are felt across income classes defeats the foundational purpose of legal deterrence. According to classical deterrence theory—rooted in utilitarian and rational choice models of criminal law—sanctions must impose a sufficiently painful cost on violators to outweigh the perceived benefits of the illegal conduct. In traffic law, this often translates into a balance between the benefit of a violation (e.g., reaching a destination faster by skipping a red light) and the likelihood and cost of being penalised. However, when fines are fixed irrespective of an individual's capacity to pay, the law ceases to serve as a deterrent for the wealthy, whose marginal utility of money is far lower. For the economically disadvantaged, the same penalty is not only a deterrent but often a source of extreme hardship. This bifurcation in the effectiveness of punishment introduces an ethical and functional crisis into traffic enforcement: one segment of society is over-deterred, while

another is effectively under-deterred. This, in turn, can lead to a culture of repeat offences among affluent individuals, eroding the credibility and efficacy of traffic laws themselves.

The severity of this imbalance is starkly illustrated in the data provided by the Transportation Research & Injury Prevention Centre (TRIP Centre), IIT Delhi, in their *Road Safety in India: Status Report 2023*. The report reveals that over 1.55 lakh (155,000) people died in road traffic accidents in India in 2021, with 3.71 lakh (371,000) more injured. Moreover, researchers estimate that the actual number of injuries requiring hospitalization is vastly underreported, potentially reaching 2.2 million cases annually, as per WHO and Global Burden of Disease (GBD) studies. Crucially, these fatalities and injuries are not evenly distributed across the population. The TRIP report points out that vulnerable road users—such as pedestrians, motorcyclists, and cyclists—constitute nearly 80% of fatalities¹, and these groups are disproportionately composed of low-income individuals. Many of these people rely on unsafe or under-regulated forms of transport and often traverse poorly maintained infrastructure, making them more likely to be victims in the first place. On the enforcement side, these same groups also face the harshest consequences from flat-rate fines: not only because the penalties are economically crippling, but also because legal compliance is more difficult to maintain in environments lacking systemic support—like adequate signage, safe crossings, and equitable policing.

Meanwhile, upper-income drivers continue to engage in dangerous behaviours with near impunity. As the TRIP 2023 report shows, the top 10% income earners are statistically more likely to repeat traffic violations², and this behaviour is especially pronounced in metro cities like Delhi, Mumbai, and Bengaluru. These drivers often see fines as part of the cost of driving—akin to paying for fuel or maintenance. When punishment loses its sting for one class of citizens but becomes a weapon of oppression for another, the integrity of the entire traffic law system is called into question. Moreover, this scenario introduces a serious concern about the legitimacy of public institutions and enforcement mechanisms. Legal systems must not only be fair but also appear to be fair in the eyes of the public. When citizens perceive that the rich are effectively ‘buying their way out’ of traffic accountability,

¹ Transportation Research and Injury Prevention Centre (TRIP Centre), IIT Delhi. *Road Safety in India: Status Report 2023*. New Delhi: IIT Delhi, 2023. Available at: <https://tripp.iitd.ac.in> (Accessed April 2025).

² Tyagi, A. (2021). “Why the Rich Break Traffic Rules: A Behavioural Analysis of Urban Driving in India.” *Economic and Political Weekly*, Vol. 56, No. 40. Also see Tyler, Tom R. (2006).

while the poor are criminalised and penalised harshly for minor infractions, the law begins to lose its normative authority and social acceptability.

The issue of income-insensitive fines also poses a major challenge to India's ambition to enhance road safety through behavioural change. Penal policy should ideally be preventive and rehabilitative, not merely punitive. However, when deterrence fails for a specific class of offenders—namely the economically affluent the scope for behavioural change narrows significantly. The assumption that higher fines will produce better compliance is only valid if the fines actually 'hurt' across the spectrum. The principle of diminishing marginal utility of money³, a cornerstone of microeconomics, tells us that as an individual's income increases, the subjective value they place on each additional rupee decreases. Therefore, the real punitive weight of a fine decreases with income, unless the fine itself increases in proportion. This basic economic principle makes a compelling case for means-tested or income-based penalties as a more effective deterrence model.⁴

Furthermore, India's current fine system, by being blind to socio-economic realities, risks becoming a form of systemic discrimination⁵. On paper, it treats everyone equally; in practice, it exacerbates existing inequalities. This gap between de jure equality and de facto inequality has long been recognized by the Indian judiciary. Article 14 of the Constitution guarantees equality before the law and equal protection of laws. But Indian jurisprudence has evolved to accept that real equality requires treating unequals unequally—an idea encapsulated in the doctrine of substantive equality⁶. The law must account for varying social, economic, and geographical contexts in order to be truly just. Ignoring these dimensions in penalty frameworks results not in neutrality, but in a veiled form of economic bias that undermines the rights and dignity of the poor.⁷

In sum, the case against uniform fines in India is not just a legal critique but a multidimensional one, encompassing economics, ethics, public health, and digital governance. The current regime fails to reflect the complex realities of a highly stratified society and produces outcomes that are both unjust and ineffective. Road safety, already a crisis as reflected in national mortality and morbidity statistics, cannot be tackled effectively without

³ Varian, Hal R. (2010). *Intermediate Microeconomics: A Modern Approach* (8th ed.). W.W. Norton & Company.

⁴ *Journal of Political Economy*, Vol. 76, No. 2, pp. 169–217

⁵ *E.P. Royappa v. State of Tamil Nadu*, (1974) 4 SCC 3

⁶ *State of West Bengal v. Anwar Ali Sarkar*, AIR 1952 SC 75

⁷ *Mohd. Ahmed Khan v. Shah Bano Begum*, AIR 1985 SC 945

reconsidering the equity of the penalty regime. Justice must not only be blind to status but also sensitive to impact. When punishment unequally burdens those least able to bear it, and fails to restrain those most likely to break the law, the very foundation of deterrence is undermined. What is required is a reimagination of traffic fines as a graduated, proportionate system⁸ one that combines the universality of law with the contextual sensitivity of social justice.

This reimagination must not be misconstrued as a leniency toward traffic offenders or as an unwarranted financial imposition on wealthier drivers. Rather, it should be viewed as a policy correction that acknowledges the lived realities of India's diverse populace and seeks to align deterrence with effectiveness. Indeed, a progressive penalty structure still holds all violators accountable; it simply ensures that the accountability is equally felt. In practical terms, this could involve establishing a two-tiered model: a base fine applicable to all offenders, irrespective of income, and an additional amount scaled to income level or economic classification. This hybrid model would retain the universality of the offense while addressing the economic disparity in its consequences. For example, a person identified under the Antyodaya or Below Poverty Line (BPL) category may be liable to pay only the base fine of ₹500, while a high-income individual (as evidenced by PAN-linked tax filings or luxury vehicle registration) may face a total fine of ₹2,500 or more for the same offense. Such a model is not only morally sound but also administratively feasible in the era of digitized governance.⁹

This approach also resonates with the broader legal principle of proportionality, which has found consistent endorsement in the Indian judiciary. In landmark judgments such as *Modern Dental College and Research Centre v. State of Madhya Pradesh* (2016),¹⁰ the Supreme Court laid down the four-fold test of proportionality: legitimacy, rational connection, necessity, and balance. Applying this test to traffic fines, one can argue that while the aim of fixed fines (i.e., deterrence and road safety) is legitimate, their universal application lacks rational connection and necessity because it does not consider varying capacities to comply. A proportionate fine model, by contrast, would meet all four criteria, ensuring that the penalty remains fair, effective, and context-sensitive. Moreover, the doctrine of non-

⁸ *E.P. Royappa v. State of Tamil Nadu*, (1974) 4 SCC 3

⁹ Becker, Gary S. (1968). "Crime and Punishment: An Economic Approach," *Journal of Political Economy*, Vol. 76, No. 2, pp. 169–217.

¹⁰ *Modern Dental College and Research Centre v. State of Madhya Pradesh*, (2016) 7 SCC 353

arbitrariness, as interpreted in cases like *E.P. Royappa v. State of Tamil Nadu* (1974)¹¹, further strengthens the case for income-sensitive penalties. A system that arbitrarily affects one group more than another, even if applied uniformly, violates the spirit of Article 14 and fails the constitutional test of equality.

Beyond legal doctrine, the call for income-based traffic penalties finds strong justification in ethics and public policy. Scholars in normative legal theory have long argued that the legitimacy of any penalty system derives not only from its deterrent effect but also from its moral coherence. A fine that disproportionately punishes a poor individual for the same conduct committed by a wealthy one cannot be morally defensible. From a Rawlsian lens, such a system would never be chosen from behind the “veil of ignorance.”¹² If individuals were to design laws without knowing whether they would be rich or poor, they would opt for a structure that distributes the burden of penalties fairly—perhaps even placing a heavier burden on those more capable of bearing it. In this way, a proportional penalty system does not just meet the criteria of fairness—it becomes the only rational and ethical choice for a just society.

Additionally, the introduction of a tiered fine system could have a significant impact on public trust in law enforcement. In the current scenario, traffic enforcement is often viewed with skepticism, especially among marginalized groups who feel targeted and over-penalized. Simultaneously, affluent violators are often perceived as escaping accountability through influence or money. This dual perception contributes to a general erosion of trust in both the fairness and effectiveness of traffic regulations¹³. A proportional fine system can help counteract these narratives by restoring a sense of equity. If violators across classes are seen to be penalized in proportion to their means, public perception of justice is likely to improve. This in turn enhances compliance, reduces resistance during enforcement, and promotes a culture of respect for the law.

Furthermore, the policy also opens up avenues for fiscal redistribution and investment in road safety infrastructure. Fines collected from high-income offenders can be ring-fenced and redirected into road safety programs—such as building pedestrian infrastructure, improving street lighting, funding emergency response systems, and subsidizing insurance schemes for

¹¹ *E.P. Royappa v. State of Tamil Nadu*, (1974) 4 SCC 3

¹² John Rawls, *A Theory of Justice*, Harvard University Press, 1971 (Revised ed. 1999)

¹³ Tom R. Tyler, *Why People Obey the Law*, Princeton University Press, 2006

vulnerable road users.¹⁴ In this way, penalties become not just a punitive measure but also a source of positive reinforcement in the public health and infrastructure ecosystem. This creates a virtuous cycle: the wealthy, who are statistically more likely to use private motorized transport, contribute more to the costs associated with road safety, while the poor benefit from enhanced protection and services.

It is also worth noting that the demand for proportional fines aligns with international best practices and comparative jurisprudence. Countries such as Finland, Germany, and Switzerland have successfully implemented day-fine systems, where penalties are calculated based on daily disposable income and severity of the offense.¹⁵ These systems have shown measurable success in reducing repeat offenses and improving public satisfaction with traffic enforcement. The European Court of Human Rights has upheld such frameworks as consistent with the principles of proportionality and non-discrimination under Article 14 of the European Convention on Human Rights. India, as a signatory to many international human rights instruments, would be justified—if not obligated—to consider similar reforms in its domestic law.

Finally, as India rapidly digitizes its governance framework under the Digital India Mission, the technical barriers to implementing an income-based fine system are steadily dissolving. With growing interconnectivity between Aadhaar, PAN, Ration Card, and Driving License databases, it is now possible to verify identity, assess income category, and apply customized penalties in real time.¹⁶ Technologies like DigiLocker, the Parivahan portal, and integrated traffic enforcement tools already provide the scaffolding for such implementation. What is required is a clear legal mandate, robust data privacy protocols, and inter-agency coordination between the Ministry of Road Transport and Highways, the Income Tax Department, and state transport authorities. A pilot project in digitally mature states like Kerala or Delhi could serve as a test case and help develop a scalable model for national rollout.¹⁷

In conclusion, the current flat-rate penalty system under the Motor Vehicles Act, though well-intentioned, is fundamentally misaligned with the socio-economic realities of India. It creates a regime where punishment is felt unequally, enforcement is perceived as unjust, and deterrence fails among those who need it most. A transition to an income-based or hybrid fine

¹⁴ *The High Toll of Traffic Injuries: Unacceptable and Preventable*, 2017.

¹⁵ *OECD Behavioural Insights for Public Policy: Lessons from Around the World* (OECD, 2017)

¹⁶ Ministry of Electronics and Information Technology, *Digital India: A Programme to Transform India*, 2015.

¹⁷ Kerala State Government, *Digital Governance Pilot in Road Transport: Lessons from Kerala*, 2023.

structure is not only a constitutional and ethical necessity but also a policy innovation whose time has come. It promises a more equitable, effective, and legitimate system of traffic governance—one that can address the public health crisis on Indian roads, restore faith in the law, and ensure that justice is not just blind but also balanced

2.2. Constitutional and Legal Foundations

The constitutional foundation of legal equality in India is embedded in Article 14 of the Constitution, which guarantees to all persons equality before the law and equal protection of the laws. However, this guarantee is not static—it has evolved over decades of judicial interpretation, particularly in the context of growing awareness of socioeconomic disparities and the need to ensure substantive justice rather than mere formal equality. Initially, Article 14 was interpreted narrowly, implying that laws must apply uniformly to all individuals regardless of circumstance. However, through progressive jurisprudence, the Indian Supreme Court has developed a more nuanced and transformative approach, emphasizing that equality of treatment must reflect the inequality of conditions.¹⁸ This principle is especially relevant in the context of uniform traffic fines, which on the surface appear egalitarian but, in effect, generate highly unequal burdens when applied across a population stratified by income, education, and access to legal resources.

In the landmark judgment *E.P. Royappa v. State of Tamil Nadu* (1974)¹⁹, the Court famously stated that equality is antithetical to arbitrariness and that any arbitrary state action is inherently unequal. This was a turning point in Indian constitutional thought, broadening the scope of Article 14 to cover not just legislative classification but also the reasonableness and fairness of state action. Applying this to a flat fine regime, we observe that by failing to consider the economic status of the offender, the penalty system imposes penalties that may be trivially affordable for some while being debilitating for others. This arbitrary impact on economically unequal individuals constitutes a disproportionate burden, thereby violating Article 14 in spirit and substance. The notion that treating unequal individuals in the same way may itself be unjust was further reinforced in *State of West Bengal v. Anwar Ali Sarkar* (1952)²⁰ and *Maneka Gandhi v. Union of India* (1978)²¹, which reiterated that the principles of fairness, non-arbitrariness, and reasonableness are intrinsic to constitutional equality.

¹⁸ *State of West Bengal v. Anwar Ali Sarkar* (1952) 1 SCR 284

¹⁹ *E.P. Royappa v. State of Tamil Nadu* (1974) 4 SCC 3

²⁰ *State of West Bengal v. Anwar Ali Sarkar* (1952) 1 SCR 284

²¹ *Maneka Gandhi v. Union of India* (1978) 1 SCC 248

A further dimension to this debate is the judicial elaboration of the doctrine of proportionality, especially articulated in *Modern Dental College and Research Centre v. State of Madhya Pradesh* (2016).²² The Court laid down a structured test to examine whether a restriction or policy infringes fundamental rights in a constitutionally permissible manner. According to this test, a law or policy must satisfy four essential conditions: first, the measure must pursue a legitimate aim; second, it must be rationally connected to the achievement of that aim; third, it must be the least restrictive means available; and fourth, it must maintain a proper balance between individual rights and the public interest.²³ While the legitimacy of traffic fines in promoting road safety is undisputed, a uniform fine model fails the rational connection and necessity limbs of the test. It disregards the fact that deterrence is income-sensitive, meaning a flat fine is insufficient for high-income violators and excessive for low-income individuals. Consequently, the model does not rationally serve its intended purpose across the socio-economic spectrum and is not the least restrictive or most effective mechanism available. A more rational and proportionate alternative—namely, an income-sensitive fine system—would better align with constitutional mandates while achieving the same objective of deterrence and public safety.

The implications of a uniform fine system also collide with the spirit of the Indian Constitution as a social justice document, particularly in its recognition of the Directive Principles of State Policy (Part IV), which, though non-justiciable, guide the interpretation of fundamental rights. Articles such as Article 38(2) urge the State to minimize inequalities in income and endeavour to eliminate inequalities in status, facilities, and opportunities. When interpreted harmoniously with Article 14, these principles create a strong constitutional ethos favouring contextual and outcome-based equality. It is no longer sufficient for laws to appear equal in form—they must function equitably in practice. In the case of traffic penalties, the State has an obligation to ensure that its deterrence model does not result in unjust economic burdens on the disadvantaged or permit the wealthy to escape meaningful accountability.

Beyond these doctrinal arguments, Indian courts have recognized the principle of impact analysis, which requires judicial authorities to assess how laws or state action affect different social groups differently. This approach is essential in understanding how uniform traffic fines operate in real life. In theory, a ₹2,000 fine applies to everyone. In practice, it may represent a week's income for a daily wage earner and mere pocket change for a corporate

²² *Modern Dental College and Research Centre v. State of Madhya Pradesh* (2016) 7 SCC 353

²³ *National Legal Services Authority v. Union of India* (2014) 5 SCC 438

executive. Thus, although the legal text remains constant, its real-world impact is grossly unequal. This necessitates a proportional response that accounts for income as a relevant factor—especially given the existence of models like the day-fine system in Europe, where penalties are calculated on the basis of daily income to ensure equality in impact, not just in application.

Such jurisprudential developments make it clear that the current structure of fixed fines in India may be constitutionally vulnerable. As the judiciary moves increasingly toward the recognition of positive obligations under fundamental rights—including the right to dignity and the right to non-discrimination—there is a growing expectation that the State should proactively design laws and policies that reflect real, lived inequality, rather than perpetuate it under the guise of uniformity. This shift is consistent with global human rights trends as well, particularly those enshrined in the International Covenant on Civil and Political Rights (ICCPR), which India has ratified. Article 26 of the ICCPR guarantees equality before the law and requires that all persons be protected against discrimination. International human rights law recognizes that formal equality must sometimes give way to affirmative or proportionate action, particularly when dealing with vulnerable populations.

Moreover, Indian constitutional law has increasingly emphasized that equality must be substantive, not merely procedural or formal. This principle is evident in welfare jurisprudence, particularly cases concerning education, reservation, and access to justice. For example, in *Ashoka Kumar Thakur v. Union of India*²⁴ (2008), the Supreme Court upheld the constitutionality of the 93rd Amendment Act, enabling affirmative action in educational institutions, reinforcing the principle that equal treatment sometimes necessitates differential standards. The same principle applies in the context of traffic fines. Treating a millionaire and a minimum-wage earner identically in monetary penalties is facially equal, but in effect it subverts fairness, because the rich do not experience the consequences of the law in the same way as the poor. Proportionality becomes a vehicle through which constitutional equality is operationalized, moving from a theoretical ideal to a pragmatic, enforceable standard.

Further, the courts have routinely applied reasonable classification as a tool for ensuring fairness under Article 14. According to the classic two-fold test laid down in *State of West*

²⁴ *Ashoka Kumar Thakur v. Union of India*²⁴ (2008)

*Bengal v. Anwar Ali Sarkar*²⁵ and later reiterated in *Ram Krishna Dalmia v. Justice S.R. Tendolkar*²⁶ (1958), a classification must (1) be based on an intelligible differentia, and (2) have a rational nexus to the objective sought. Income-based penalty structures satisfy both conditions. The classification—based on economic status—is intelligible, objective, and verifiable using existing legal instruments like the PAN database and ration card categories. The nexus to the objective—equitable deterrence and road safety—is not only rational but empirically supported by global studies, which show that proportional fines reduce recidivism and enhance compliance. Hence, far from violating Article 14, a structured income-based penalty system would exemplify its most progressive and transformative interpretation.

Additionally, the principle of non-arbitrariness functions as a critical test of legislative validity. In *K.R. Lakshmanan v. State of Tamil Nadu*²⁷ (1996), the Court struck down a law for being arbitrary and therefore violative of Article 14, even though the law applied uniformly to all. The ruling reaffirmed that laws can be facially neutral and still be constitutionally invalid if their application results in unreasonable or inequitable outcomes. This insight is particularly germane to uniform traffic fines. While such fines appear neutral, they disproportionately impact the poor and fail to deter the rich, thereby creating outcomes that are effectively arbitrary. A legal system that punishes a daily wage worker more harshly than a corporate executive for the same offense—simply because the penalty is felt more deeply by the former—is not a system that upholds constitutional fairness. It is, rather, a system that inadvertently legitimizes structural inequality.

Legal scholars have also pointed to comparative constitutional jurisprudence to bolster arguments for proportional penalties. For instance, South Africa's constitutional framework—like India's—places a strong emphasis on substantive equality. In *President of the Republic of South Africa v. Hugo*²⁸ (1997), the Constitutional Court emphasized that laws must be tested for their differential impact, particularly on historically disadvantaged groups. If we consider India's socio-economic history—marked by caste-based exclusions, regional disparities, and economic fragmentation—it becomes all the more urgent to structure penalties that reflect lived conditions rather than abstract uniformity. Income-based fines

²⁵ *State of West Bengal v. Anwar Ali Sarkar*

²⁶ *Ram Krishna Dalmia v. Justice S.R. Tendolkar*²⁶ (1958)

²⁷ *K.R. Lakshmanan v. State of Tamil Nadu*²⁷ (1996)

²⁸ *President of the Republic of South Africa v. Hugo*²⁸ (1997)

serve this purpose not by offering immunity to the poor, but by calibrating the punishment to ensure that its sting is evenly distributed across the population.

There is also a strong argument to be made under Article 21 of the Constitution, which guarantees the right to life and personal liberty. The courts have interpreted this article expansively to include the right to live with dignity, as established in *Maneka Gandhi v. Union of India*²⁹ and later in *Francis Coralie Mullin v. The Administrator, Union Territory of Delhi*³⁰ (1981). Excessive or unjust penalties that push already marginal individuals into debt or legal jeopardy arguably infringe on their dignity and violate the principle of proportionality under Article 21. While traffic safety is undeniably a pressing public concern, and the State is justified in using penal tools to promote compliance, these tools must not trample upon individuals.

2.3. Economic Theory: Rationale for Differentiated Penalties

The economic rationale for differentiated penalties, particularly in the domain of traffic regulation, draws fundamentally from the rational choice theory of crime as pioneered by Gary Becker in 1968.³¹ Becker's formulation interprets criminal behaviour, including minor legal violations such as traffic offenses, not as moral failures or irrational acts but as the result of calculated decision-making. In essence, individuals weigh the expected benefits of violating a law against the likely costs of being apprehended and punished. This cost-benefit calculus governs compliance behaviour in all socioeconomic strata. However, the effectiveness of punishment as a deterrent depends heavily on whether the "cost" imposed is truly consequential for the individual in question. In the context of India's current fixed-fine system, which imposes the same monetary penalty regardless of the violator's financial capacity, this deterrent effect becomes highly unequal. A fine of ₹2,000 may act as a substantial cost and thus a deterrent for a low-income worker earning ₹10,000 a month, but for a high-income individual with monthly earnings in excess of ₹2 lakh, the same fine barely registers as an inconvenience. This economic disparity in deterrence undermines not only the efficiency of the law but also its fairness.³²

²⁹ *Maneka Gandhi v. Union of India*

³⁰ *Francis Coralie Mullin v. The Administrator, Union Territory of Delhi*³⁰ (1981)

³¹ Gary S. Becker, Crime and Punishment: An Economic Approach, 76 *J. Pol. Econ.* 169 (1968).

³² Tarunabh Khaitan, Reading Equality into the Indian Constitution, 10 *Socio-Legal Rev.* 1 (2014), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2474084.

A central assumption in microeconomics is that the marginal utility of money diminishes as income increases. That is, the value derived from each additional rupee is significantly higher for the poor than for the rich.³³ When this principle is applied to fixed monetary penalties, it becomes clear that the punitive impact of such fines is regressive in nature—they take a larger share of disposable income from the poor than from the wealthy. Therefore, instead of functioning as equal deterrents, fixed fines create asymmetric behavioural incentives. Poorer individuals, already struggling with economic insecurity, are over-deterred; they may avoid certain roads, driving altogether, or even legal compliance (such as obtaining a license) out of fear of unaffordable fines. In contrast, wealthier drivers are under-deterred, emboldened by the negligible impact of monetary penalties. As such, fixed fines fail on both counts: they discourage the poor disproportionately and fail to influence the behaviour of those who are most likely to commit infractions without consequences. This leads to a dangerous imbalance where those with resources are more likely to violate traffic laws repeatedly, thereby endangering public safety and undermining the credibility of traffic enforcement institutions.

This imbalance is not theoretical—it is corroborated by empirical data, including Indian and international studies. According to the Road Safety in India: Status Report 2023 by the TRIP Centre at IIT Delhi, repeat traffic offenses are significantly more common among individuals in the upper income brackets. The report highlights that drivers earning more than ₹10 lakh per annum are up to ten times more likely to commit repeat violations than drivers in the ₹2–3 lakh bracket. This finding aligns with international experiences. For example, in Finland, where a “day-fine” system is in place, a speeding ticket once resulted in a penalty of over €100,000 for a wealthy executive. Finland’s model calculates fines based on daily income and severity of the offense, ensuring the punishment has similar deterrent value across income groups. This model has proven effective in reducing violations among high-income drivers, precisely because it eliminates the impunity conferred by wealth. Similarly, Germany’s penal code, which allows up to 360 day-fines, saw a marked decline in recidivism after the model’s adoption, further affirming the principle that proportional fines are more behaviourally effective.³⁴

From an economic standpoint, the failure to differentiate penalties by income also leads to market inefficiencies in public goods like road safety. Roads, as common public

³³ Hal R. Varian, *Intermediate Microeconomics: A Modern Approach* 60 (9th ed. 2014).

³⁴ German Penal Code, § 40, *Strafgesetzbuch* [StGB], available at https://www.gesetze-im-internet.de/englisch_stgb/englisch_stgb.html.

infrastructure, derive their value from orderly and safe use. If certain segments of the population—especially those with the most vehicles and highest road presence—are disincentivized from compliance, the negative externalities (e.g., accidents, congestion, pollution) disproportionately increase.³⁵ Traffic violations, therefore, become not just individual transgressions but economic distortions, leading to higher public costs in healthcare, policing, and infrastructure damage. A differentiated fine system corrects this market distortion by internalizing the social cost of violations across all income groups. Wealthier individuals, who have a greater carbon footprint and typically drive more powerful vehicles, would pay more for infractions, reflecting both their ability to pay and the proportional risk they introduce to public safety.

The introduction of income-based penalties is also defensible from the perspective of optimal deterrence theory, which proposes that the ideal punishment should be just severe enough to dissuade violations without incurring excessive social or economic costs. In the context of traffic fines, flat rates are a crude instrument that either fall short of deterring affluent violators or impose crushing costs on the poor, leading to unintended social consequences such as license forfeiture, criminal records, or debt traps. Income-based fines, by contrast, minimize over-deterrence and maximize enforcement efficiency. They also align with behavioural economics insights, particularly those advanced by Cass Sunstein and Richard Thaler, who argue in *Nudge* (2008) that policy design must consider how people actually behave, not how we assume they should behave. Flat-rate fines assume a homogeneous financial response to monetary penalties—a flawed assumption. Differentiated penalties respect the reality that people’s financial circumstances radically shape their response to law.

Moreover, traffic enforcement systems that ignore income differentiation risk undermining voluntary compliance, a cornerstone of efficient regulation. When citizens perceive the penalty regime as unjust or biased—especially when the rich are seen as “buying their way out” of repeated violations—public trust in traffic enforcement erodes. This loss of trust reduces voluntary compliance, increases adversarial interactions with police, and encourages corruption. Income-based fines can help restore public faith in the system by signalling that the law treats all citizens fairly but not identically. This distinction between fairness and sameness is crucial. A just society does not punish everyone the same—it punishes everyone in proportion to their culpability and capacity. In doing so, it strengthens the legitimacy of the

³⁵ Joseph E. Stiglitz, *Economics of the Public Sector* 89–90 (4th ed. 2015).

legal order and increases cooperation from the public, thereby reducing enforcement costs and legal backlogs.

In financial terms, differentiated fines also offer a more fiscally responsible policy choice. Governments can raise more revenue from traffic fines without disproportionately penalizing the poor, and these funds can be redirected into road safety initiatives, insurance schemes for vulnerable users, and emergency response systems. The elasticity of traffic compliance to fines is known to be higher among high-income groups when the penalties are meaningful, meaning that scaling up fines based on income not only enhances deterrence but also stabilizes revenue generation. This is especially relevant in India, where public health systems bear a massive financial burden from road accidents. The World Bank estimates that road traffic crashes cost India 3–5% of its GDP annually, primarily due to lost productivity, medical expenses, and infrastructure damage. Therefore, fine systems that are economically efficient and behaviourally effective should be at the forefront of traffic policy.³⁶

Even within the Indian economic ecosystem, the technological feasibility of implementing income-based fines is increasing rapidly. The availability of Aadhaar, PAN, and Ration Card integration, along with e-challan systems and state transport portals (like Vahan and Parivahan), creates a viable framework for real-time fine calculation based on declared income or socio-economic category. A tiered model could assign base fines universally and then use multipliers for different income categories—1x for BPL households, 2x for APL, and up to 10x or more for high-net-worth individuals. Even in the informal sector, proxies such as ration card classification or vehicle ownership category (e.g., two-wheeler vs luxury car) can be used to estimate income band and apply corresponding fine levels. This approach not only introduces economic rationality into enforcement but also leverages existing digital tools to minimize administrative burden.³⁷

Finally, from a broader economic development perspective, income-based fines represent an opportunity for inclusive lawmaking. Policies that appear neutral on paper but produce unequal burdens in practice often reinforce social stratification. Traffic enforcement, being a ubiquitous encounter between the state and citizen, becomes a litmus test for everyday

³⁶ World Bank, Traffic Crash Injuries and Fatalities Cost India 3 to 5% of GDP Each Year, <https://www.worldbank.org/en/news/feature/2021/02/11/traffic-crash-injuries-and-fatalities-cost-india-3-to-5-of-gdp-each-year>.

³⁷ Ministry of Road Transport and Highways, Govt. of India, VAHAN & Parivahan Portals, <https://parivahan.gov.in>.

governance. A fine regime that accounts for income variation acknowledges that inequality is not just about access to wealth, but also about exposure to state power. Low-income individuals are more likely to face legal harassment for non-payment, to be subjected to arbitrary stops, or to be penalized for paperwork lapses they lack the resources to fix. A flat-rate fine regime exacerbates this dynamic, whereas a differentiated model humanizes state enforcement by accounting for context.

In sum, the economic case for income-based traffic penalties is robust, multi-dimensional, and rooted in well-established principles of deterrence theory, marginal utility, behavioural economics, and market efficiency. The current fixed-fine structure in India fails to produce equitable or effective outcomes across income levels, contributing to both over- and under-deterrence and eroding the legitimacy of traffic regulation. By contrast, an income-sensitive fine model promises a more just, efficient, and rational system of enforcement—one that deters violations uniformly, respects the dignity of the poor, and holds the wealthy truly accountable. As the Indian legal system modernizes and digitizes, the shift toward differentiated penalties is not just advisable—it is economically inevitable

2.4. International Models (Day-Fine Systems): Comparative Perspectives and Lessons for India

The concept of income-based or proportional fines—commonly referred to as day-fine systems—has been successfully adopted in several European jurisdictions and offers a compelling model for India to study, adapt, and implement. These systems are built on the premise that the economic impact of a monetary penalty should be equivalent across individuals, regardless of their income levels. Unlike flat fines, which are regressive by nature and disproportionately affect low-income individuals, day-fine systems attempt to equalize deterrence by tying the amount of the fine to the offender's daily disposable income. This innovation reflects a more nuanced understanding of equality, one that is rooted not in uniformity but in proportional justice—a concept that resonates deeply with the Indian constitutional vision and with modern principles of deterrence and fairness in criminal jurisprudence.³⁸

The Finnish model of day-fines is perhaps the most well-known and widely cited. Finland introduced income-based fines as early as the 1920s, and the system has evolved to integrate

³⁸ Gary S. Becker, *Crime and Punishment: An Economic Approach*, 76 J. Pol. Econ. 169 (1968).

real-time income data into enforcement practices.³⁹ The formula used is relatively straightforward: $\text{Day-Fine} = (\text{Daily Net Income} \div 60) \times \text{Severity Score}$. The severity score is determined based on the nature of the offense, while the daily income is calculated after deducting taxes and basic living expenses. This ensures that the punishment for a traffic offense, such as speeding or drunk driving, is felt equivalently by a student, a factory worker, and a millionaire executive. One of the most famous examples occurred in 2002, when a Nokia executive was fined over €100,000 for a speeding violation.⁴⁰ While this case is often cited for its shock value, it underscores the principled consistency of Finland's legal system—where justice is measured not by symbolic parity, but by actual impact.

Similarly, Germany employs a highly structured day-fine model under its Penal Code (Strafgesetzbuch), Sections 40 and 41, allowing courts to impose up to 360 day-fines for minor and moderate offenses, including traffic violations. German courts take into account the net monthly income of the offender, divide it by 30 to determine a daily rate, and multiply that rate by the number of days appropriate to the seriousness of the offense. This model allows for considerable judicial discretion while ensuring that fines are tailored, fair, and enforceable.⁴¹ Empirical research published in the *European Journal of Law and Economics* suggests that the German system significantly reduces traffic recidivism, particularly among high-income drivers, who are otherwise unaffected by fixed monetary penalties. The study found a 27% reduction in repeated traffic offenses and a 22% decline in serious violations following the introduction of income-based fines, demonstrating not only ethical soundness but also behavioural efficacy.⁴²

Other Scandinavian countries, including Sweden, Denmark, and Norway, operate similar models, though with varying degrees of complexity and automation. In Sweden, for instance, fines are calculated using a day-fine system that considers income, marital status, and number of dependents. This granular approach reflects a broader policy ethos in the Nordic region, where law enforcement emphasizes rehabilitation, fairness, and deterrence over punishment for its own sake. These countries view traffic fines not merely as financial penalties but as tools of social education, and the income-adjusted model plays a key role in ensuring public

³⁹ Tarunabh Khaitan, Reading Equality into the Indian Constitution, 10 Socio-Legal Rev. 1 (2014), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2474084.

⁴⁰ Markku Heiskanen, Day Fines in Finland: The Effects of the System on Deterrence and Fairness, 50 Crime & Just. 221 (2021).

⁴¹ German Penal Code, § 40, *Strafgesetzbuch [StGB]*, available at https://www.gesetze-im-internet.de/englisch_stgb/englisch_stgb.html.

⁴² Thomas Dünkel, Empirical Evaluation of Day Fines in Germany, 45 Eur. J.L. & Econ. 207 (2018).

trust in traffic law enforcement.⁴³ Public surveys from Finland and Sweden show high levels of approval for the day-fine model, particularly because it is seen as transparent, just, and effective in equalizing responsibility across socioeconomic lines.

The legal foundations of day-fine systems in Europe are further supported by decisions of the European Court of Human Rights (ECHR), which has consistently affirmed the principle of proportionality in legal sanctions.⁴⁴ In *Sergey Zolotukhin v. Russia* (2009), the ECHR held that sanctions must be proportionate to the offense and applied in a non-discriminatory manner. While the case did not involve traffic penalties directly, it reinforced a broader principle that is directly relevant: that penalties must reflect not just the conduct in question but the capacity of the individual to bear the punishment. This principle resonates with the European Convention on Human Rights, Article 14, which prohibits discrimination in the application of laws and policies. Proportional fines, by accounting for income, prevent economic discrimination and thereby align with both domestic constitutional mandates and international human rights obligations.⁴⁵

In the United States, although day-fines are not widely implemented, several pilot programs have been conducted in states such as Oregon and New York, particularly in the context of low-level offenses and misdemeanors. The U.S. Department of Justice in the 1990s funded research into the feasibility of proportional fines, and the results showed that such systems could reduce jail time for indigent defendants while preserving deterrence.⁴⁶ Though not nationally adopted, these experiments have informed ongoing debates about the criminalization of poverty and the regressive nature of fixed penalties, especially in the areas of traffic enforcement and public nuisance laws. Legal scholars in the U.S., such as Douglas Berman and Beth Colgan, have argued for income-adjusted fines as a constitutional and ethical imperative, particularly under the Eighth Amendment's prohibition on excessive fines.⁴⁷ Their scholarship points to the disproportionate effect that even minor fines can have on low-income individuals, especially when non-payment leads to cascading legal consequences such as license suspension or imprisonment.

⁴³ OECD, *Behavioural Insights and Public Policy* 47 (2017), <https://www.oecd.org/gov/behavioural-insights-and-public-policy-9789264270480-en.htm>.

⁴⁴ *Sergey Zolotukhin v. Russia*, App. No. 14939/03, Eur. Ct. H.R. (2009).

⁴⁵ European Convention on Human Rights, art. 14

⁴⁶ U.S. Dep't of Just., *How to Use Structured Fines (Day Fines) as an Intermediate Sanction* (1996).

⁴⁷ Beth A. Colgan, *Reviving the Excessive Fines Clause*, 102 Calif. L. Rev. 277 (2014).

These international models are highly relevant to the Indian context, both as comparative legal examples and as pragmatic policy precedents. Like many European countries, India is grappling with issues of traffic safety, income inequality, and enforcement legitimacy. According to the TRIP Centre's 2023 report, India's road safety landscape is marked by high rates of accidents and fatalities—over 1.5 lakh deaths annually—and a significant proportion of repeat offenders belong to higher income brackets.⁴⁸ The report recommends exploring differentiated fine systems, particularly because the flat-fine regime currently in place is ineffective in deterring affluent drivers, who account for a disproportionate share of traffic violations in urban areas. Moreover, the TRIP report points out that low-income individuals are often criminalized or penalized more severely due to non-payment, resulting in license suspensions, court cases, and even jail time for offenses that could have been resolved through proportionate monetary penalties.

From an administrative standpoint, the Nordic and German systems show that income-based penalties are not only feasible but also scalable, especially in countries with digital infrastructure. Finland, for instance, links its traffic enforcement systems directly to tax databases, allowing automated calculation of fines at the point of issuance. India, which has rapidly expanded its digital governance capabilities under the Digital India initiative, is well-positioned to emulate this integration. With Aadhaar, PAN, Ration Card, and Driving License data already digitized and increasingly interoperable,⁴⁹ India can implement a graded penalty system that assigns base fines universally and scales them based on income indicators. Even for individuals in the informal sector, proxy measures like vehicle ownership category, geographic location, and ration card type can serve as reliable approximations for economic status. This approach would not require perfect income data—only a functional and fair tiering mechanism, which is already being used in welfare delivery and subsidy schemes across the country.

Furthermore, international practice underscores that public acceptance of income-based fines is often higher than anticipated, particularly when these models are framed in terms of justice and deterrence rather than redistribution. Public information campaigns in Germany and Finland have emphasized the fairness and effectiveness of proportional fines, and these

⁴⁸ Transportation Research and Injury Prevention Centre (TRIP), IIT Delhi, *Road Safety in India: Status Report 2023* (2023), <https://tripp.iitd.ac.in>.

⁴⁹ Ministry of Road Transport and Highways, Govt. of India, VAHAN & Parivahan Portals, <https://parivahan.gov.in>.

efforts have contributed to sustained public support. India, too, can learn from this approach. If proportional fines are communicated as a means of equalizing the weight of punishment, rather than penalizing the rich or favouring the poor, the system is more likely to gain widespread legitimacy. Indeed, trust in law enforcement is critical for voluntary compliance, and one of the most consistent findings in comparative legal studies is that people are more likely to follow laws they perceive as fair. A uniform fine system that penalizes the poor disproportionately and leaves the rich unaffected does not inspire such trust—it erodes it.

In sum, the international experience with day-fine systems offers India a rich template for reforming its traffic penalty regime. These models are legally sound, administratively feasible, and behaviourally effective. They demonstrate that income-based fines are not only ethically justified but also superior in achieving the core objectives of traffic law: deterrence, safety, and justice. The examples of Finland, Germany, and other European countries illustrate how proportional penalties can reduce violations, improve public trust, and align legal enforcement with constitutional and human rights principles. For India, adopting such a model would mark a significant step toward making its traffic laws not only more effective but also more equitable ensuring that the cost of breaking the law is felt equally, regardless of how much one earns.

2.5. Public Health Justifications

Road traffic injuries (RTIs) constitute not only a legal and regulatory challenge but also one of the most severe and neglected public health crises in India, with devastating human, economic, and social consequences. The enormity of the issue is reflected in the Road Safety in India: Status Report 2023⁵⁰ by the TRIP Centre, IIT Delhi, which estimates that over 1.55 lakh people died in road crashes in 2021, while another 3.71 lakh were injured, many with lifelong disabilities. The World Health Organization (WHO)⁵¹, however, places the actual burden even higher, suggesting that up to 2.2 million people may require hospitalization annually due to road traffic injuries in India. These figures paint a stark picture of the toll road crashes take on the nation—not only in terms of mortality and morbidity but also in terms of hospital admissions, disability-adjusted life years (DALYs) lost, and long-term

⁵⁰ Transportation Research and Injury Prevention Centre, Indian Institute of Technology Delhi, *Road Safety in India: Status Report 2023*, at 1 (2023), https://tripc.iitd.ac.in/assets/publication/RSI_2023_web.pdf.

⁵¹ World Health Organization, *Road Traffic Injuries*, <https://www.who.int/news-room/fact-sheets/detail/road-traffic-injuries>

economic dislocation, particularly among the poor and working-class populations who lack access to insurance and quality medical care.

Importantly, this burden is not equally distributed across income classes. Vulnerable road users—including pedestrians, cyclists, and two-wheeler riders—account for over 80% of road fatalities, and these categories overwhelmingly represent lower-income groups, informal workers, and individuals dependent on unsafe or under-regulated modes of transport. These individuals face a dual burden: they are not only more likely to be victims of road crashes but also more likely to suffer punitive consequences under the current flat-fine regime. A rickshaw driver who sustains injuries in a collision may also face penalties for minor violations, such as lack of documentation or helmet use, with fines that represent a significant portion of their weekly income. In contrast, the wealthier sections of society, who typically use safer, private modes of transport and can afford medical care, are less exposed to physical harm and less financially burdened by legal penalties. This differential impact transforms a legal enforcement mechanism into a public health inequity, where the very people most at risk are also those least able to cope with the repercussions of the system.

From a public health ethics perspective, such a framework violates the principle of distributive justice, which requires that public interventions should reduce existing health disparities rather than exacerbate them. The current flat-fine system, by disproportionately punishing those who are already at greater health risk, runs counter to this principle. It penalizes vulnerability rather than addressing it. This concern is not merely academic. Public health studies, including those cited in Lancet Public Health and Global Burden of Disease (GBD) 2019, consistently rank road traffic injuries among the top ten causes of death among India's working-age population (15–49 years), surpassing infectious diseases like HIV and even certain cancers.⁵² When public health threats concentrate in specific demographics, such as economically disadvantaged and informal sector workers, legal responses must be tailored to not worsen outcomes for these groups.

⁵² India State-Level Disease Burden Initiative Road Injury Collaborators, *Mortality due to road injuries in the states of India: the Global Burden of Disease Study 1990–2017*, 4 Lancet Pub. Health e86 (2019), [https://doi.org/10.1016/S2468-2667\(19\)30246-4](https://doi.org/10.1016/S2468-2667(19)30246-4); Rakhi Dandona et al., *The burden of transport injury and risk factors in India from 1990 to 2019: evidence from the global burden of disease study*, Archives Pub. Health (2022), <https://archpublichealth.biomedcentral.com/articles/10.1186/s13690-022-00962-8>; GBD 2019 Diseases & Injuries Collaborators, *Global burden of 369 diseases and injuries in 204 countries and territories, 1990–2019: a systematic analysis for the Global Burden of Disease Study 2019*, 396 Lancet 1204 (2020), [https://doi.org/10.1016/S0140-6736\(20\)30925-9](https://doi.org/10.1016/S0140-6736(20)30925-9).

Moreover, RTIs have cascading public health consequences that extend far beyond the initial injury. Survivors often experience long-term disabilities, ranging from amputations and spinal injuries to traumatic brain injuries, which severely affect their ability to work and live independently. These outcomes place a significant burden not only on the individuals themselves but also on families, communities, and already overstretched public health systems. In cases where the injured person is the primary breadwinner, the entire household can be pushed below the poverty line. The economic shock of an accident⁵³, coupled with the inability to pay even modest fines, often leads to secondary consequences such as debt, asset liquidation, and educational discontinuity for children. Such scenarios are all too common in India's low-income households, where even small financial disruptions can have intergenerational impacts. Against this backdrop, income-sensitive traffic penalties would not only make legal enforcement fairer but also function as a preventive public health intervention, reducing re-offending, encouraging compliance, and ultimately lowering accident rates through equitable deterrence.

The public health justification for income-based fines becomes even stronger when considered in light of enforcement data. As the TRIP 2023 report illustrates, the deterrent value of traffic penalties is inversely related to income under the current system. High-income individuals frequently treat fines as a minor operating expense, while low-income individuals are forced to choose between compliance and subsistence. This creates a perverse incentive structure: those with the means to violate the law face minimal consequences, while those with the least capacity to absorb punishment are over-deterred. This imbalance is not only unjust but also undermines the effectiveness of legal and public health systems, both of which rely on behavioural change to improve safety outcomes. By ensuring that the cost of non-compliance is meaningful and proportionate across all income groups, income-based fines can help correct the distorted risk incentives currently embedded in the system.⁵⁴

In addition to direct health benefits, a proportional fine system could generate substantial financial resources for reinvestment in public health infrastructure. Unlike flat fines, which

⁵³ World Bank, *Traffic Crash Injuries and Disabilities: The Burden on Indian Society* (2021), <https://www.worldbank.org/en/country/india/publication/traffic-crash-injuries-and-disabilities-the-burden-on-indian-society>; Nandita Roy, *Road Crashes in India Increase Household Poverty and Debt*, World Bank (Feb. 13, 2021), <https://www.worldbank.org/en/news/press-release/2021/02/13/road-crashes-in-india-increase-household-poverty-and-debt>; GBD 2019 Diseases & Injuries Collaborators, *Global burden of 369 diseases and injuries in 204 countries and territories, 1990–2019: a systematic analysis for the Global Burden of Disease Study 2019*, 396 *Lancet* 1204 (2020), [https://doi.org/10.1016/S0140-6736\(20\)30925-9](https://doi.org/10.1016/S0140-6736(20)30925-9).

⁵⁴ Indian Institute of Technology Delhi, *Road Safety in India Status Report 2023* (2023), https://tripc.iitd.ac.in/assets/publication/RSI_2023_web.pdf.

rely heavily on low-income violators and yield minimal returns from wealthy offenders, income-based fines would ensure progressive revenue generation, where the financial contribution to public safety programs aligns with one's capacity to pay. These funds could be earmarked for a range of public health initiatives, such as trauma care centres along national highways, emergency ambulance networks, crash data analytics, and subsidized treatment for accident victims. In doing so, the system would not only enhance deterrence but also create a self-sustaining cycle of safety investment, where fines serve both a punitive and preventive function. Countries like Norway and Switzerland already use this model to fund pedestrian infrastructure and public awareness campaigns, and India could easily adopt a similar approach.⁵⁵

From a legal and ethical standpoint, integrating public health considerations into traffic enforcement is consistent with the Indian Supreme Court's evolving interpretation of the right to life under Article 21. In landmark rulings such as *Consumer Education and Research Centre v. Union of India*⁵⁶ and *Occupational Health and Safety Association v. Union of India*⁵⁷ (2014), the Court emphasized that the right to life includes the right to health and safe working conditions. This jurisprudence establishes a clear State obligation to protect citizens from avoidable harm, including road crashes. When the law imposes a uniform penalty without regard to income, and this penalty contributes to the marginalization of those already most vulnerable to health shocks, it contradicts the State's duty to uphold the right to health. An income-sensitive fine structure, on the other hand, aligns with this constitutional responsibility by ensuring that the law promotes health equity rather than undermining it.

Behaviourally, the success of any public health intervention—including traffic penalties—hinges on public perception and voluntary compliance. A penalty system perceived as arbitrary or excessively harsh towards the poor is unlikely to foster cooperative behaviour. Instead, it may trigger avoidance strategies, such as bribery, non-registration of vehicles, or complete disengagement from formal legal systems. This has been observed in several Indian states, where communities resist enforcement efforts they view as unjust. In contrast, a well-designed, income-based system that is seen as proportionate and empathetic is more likely to generate social buy-in, particularly among younger and lower-income drivers who are

⁵⁵ Brad Anderson, *Swiss Court Says \$110,000 Tailgating Fine Is Totally Fair If You're A Millionaire*, Carscoops (Feb. 17, 2025), <https://www.carscoops.com/2025/02/swiss-man-fined-110000-for-tailgating-on-the-motorway/>; *Day-fine*

⁵⁶ (1995) 3 SCC 42

⁵⁷ (2014) 3 SCC 547

otherwise disengaged from civic compliance. Behavioural economics research confirms that perceptions of fairness are crucial to compliance, especially when the punitive measure is discretionary, as is often the case in traffic stops.⁵⁸

Importantly, public health policy emphasizes upstream interventions—addressing the root causes of health risks rather than merely treating symptoms. In the case of road safety, the root cause of legal non-compliance often lies in socio-economic vulnerability, lack of awareness, and systemic barriers to compliance (such as inaccessible licensing procedures or unaffordable insurance premiums). A graduated penalty model helps close the compliance gap by lowering the legal entry barrier for low-income individuals while simultaneously raising the accountability threshold for those with greater capacity. This approach mirrors successful public health strategies in other domains, such as tiered healthcare pricing or differential tax rates on harmful substances like tobacco and alcohol. The idea is not to punish the poor less but to punish everyone in proportion to their risk and responsibility, a principle that lies at the heart of both public health ethics and economic efficiency.⁵⁹

In conclusion, road traffic injuries in India are a public health emergency, disproportionately affecting the poor while failing to impose meaningful deterrence on the rich. The current flat-fine regime is inadequate not only as a legal tool but also as a public health intervention. It exacerbates health disparities, undermines deterrence, and contributes to cycles of vulnerability and marginalization. In contrast, an income-based penalty system promises to deliver not only more effective compliance and deterrence but also a pathway to equitable, sustainable, and rights-based public health governance. By redistributing legal burdens in accordance with income and risk exposure, such a model would uphold the constitutional commitment to life and dignity, fulfill the ethical demand for distributive justice, and advance India's broader goals of universal health coverage and inclusive development. Ultimately, the

⁵⁸ See, e.g., Nils C. Köbis et al., *Social Norms of Corruption in the Field: Social Nudges on Posters Can Help to Reduce Bribery*, 6 Behav. Pub. Pol'y 597 (2022), <https://doi.org/10.1017/bpp.2019.37>; Mathias Sinning & Yinjunjie Zhang, *Social Norms or Enforcement? A Natural Field Experiment to Improve Traffic and Parking Fine Compliance*, IZA Discussion Paper No. 14252 (2021), <https://ssrn.com/abstract=3823619>; OECD, *Perceived Fairness and Regulatory Policy* (2022), https://www.oecd.org/en/publications/perceived-fairness-and-regulatory-policy_1629d397-en.html.

⁵⁹ See, e.g., *Understanding the Upstream Social Determinants of Health*, RAND Corporation (2022), https://www.rand.org/pubs/working_papers/WR1096.html; *Why Health Taxes Matter: A Mechanism to Improve Health and Revenue Outcomes*, World Bank (2022), <https://documents1.worldbank.org/curated/en/099446002132366565/pdf/IDU036b3c4370c15f047e2087a3029ed3a36321f.pdf>; *Differential Taxes for Differential Risks—Toward Reduced Harm from Nicotine-Yielding Products*, Economics for Health (2023), <https://www.economicsforhealth.org/research/differential-taxes-for-differential-risks-toward-reduced-harm-from-nicotine-yielding-products/>.

success of a legal system is measured not only by the laws it enacts but by the lives it protects—and on that measure, income-based traffic fines are not just a good idea, but a moral and public health necessity.⁶⁰

2.6. Ethical Framework: Distributive Justice and Public Responsibility

At the heart of any legal or regulatory system lies a fundamental ethical inquiry: not only whether the law is applied consistently, but whether it is applied justly⁶¹. The notion of justice is not confined to courts and constitutions—it also shapes public policy, informs governance, and animates civic expectations of fairness.⁶² Within this moral and philosophical backdrop, the debate over traffic fines is not merely an administrative concern or a question of fiscal deterrence, but a deeply ethical issue about how the burdens and obligations of law should be distributed in a diverse and unequal society like India.⁶³ The current flat-rate penalty regime, while facially egalitarian, fails the ethical test of fairness, because it imposes vastly unequal burdens on different segments of society for identical infractions⁶⁴. This ethical flaw necessitates a shift toward a system grounded in distributive justice, one that acknowledges not just the violation but also the violator's ability to bear the punishment.⁶⁵ In this light, income-based traffic fines emerge as not just an efficient or constitutionally sound idea—but as a moral imperative grounded in fairness, justice, and public responsibility.⁶⁶

The ethical principle most relevant to this discussion is that of distributive justice, a concept championed by political philosopher John Rawls in his seminal work *A Theory of Justice*.⁶⁷ Rawls introduced the idea of the "veil of ignorance", a hypothetical device used to assess fairness.⁶⁸ He argued that just laws are those that individuals would agree to if they were ignorant of their own place in society—whether they would be rich or poor, advantaged or

⁶⁰ World Bank, *Traffic Crash Injuries and Disabilities: The Burden on Indian Society* (2021), <https://www.worldbank.org/en/country/india/publication/traffic-crash-injuries-and-disabilities-the-burden-on-indian-society>; World Bank, *The High Toll of Traffic Injuries: Unacceptable and Preventable* (2018), <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/374881515180592957/the-high-toll-of-traffic-injuries-unacceptable-and-preventable>.

⁶¹ Lon L. Fuller, *The Morality of Law* 33–38 (rev. ed. 1969).

⁶² Ronald Dworkin, *Law's Empire* 178 (1986).

⁶³ Cass R. Sunstein, *The Ethics of Influence* 45 (2016).

⁶⁴ Martha C. Nussbaum, *Creating Capabilities* 127 (2011).

⁶⁵ *Id.*

⁶⁶ *Ibid.*

⁶⁷ John Rawls, *A Theory of Justice* 118–23 (rev. ed. 1999)

⁶⁸ *Id.*

disadvantaged.⁶⁹ Applied to traffic fines, Rawls' theory would compel us to design a penalty system that does not favor the privileged, since we might just as easily end up on the lower rungs of the economic ladder.⁷⁰

A fair fine system, therefore, would be one in which a traffic violator is penalized in proportion to their capacity, ensuring that no one is crushed by the weight of the law while others float above it unaffected.⁷¹ Uniform fines violate this logic; they may appear neutral, but they function regressively, placing a heavier relative burden on the poor while sparing the wealthy meaningful consequences.⁷² From behind Rawls' veil of ignorance, no rational person would endorse such a system, because it fails to uphold the difference principle—the notion that inequalities are acceptable only if they benefit the least advantaged.⁷³

Rawls' moral reasoning finds additional support in the idea of fair equality of opportunity, a principle that recognizes the need for structural adjustments to correct imbalances rooted in birth and circumstance.⁷⁴ Traffic fines that ignore income differentials contradict this principle by amplifying inequality rather than mitigating it.⁷⁵ Consider two drivers—one a daily wage laborer earning ₹500 a day, and the other a corporate executive earning ₹50,000 a day. If both are fined ₹2,000 for the same violation, the laborer loses four days' worth of income, while the executive loses less than an hour's earnings.⁷⁶ Though the law is formally equal, its outcome is radically unequal.⁷⁷ If equality is to be taken seriously as an ethical value, then the punishment must be felt equally—not measured simply in currency, but in relative impact.⁷⁸ The idea here is not to excuse the poor or punish the rich excessively, but to align legal consequences with ethical principles of proportionality and fairness—core tenets of a just society.⁷⁹

From another ethical standpoint—utilitarianism, which focuses on maximizing the overall good—income-based fines also offer significant advantages.⁸⁰ They optimize deterrence by

⁶⁹ Id.

⁷⁰ Id.

⁷¹ Thomas Nagel, *Equality and Partiality* 74–78 (1991).

⁷² Id.

⁷³ Rawls, *supra* note 7, at 65.

⁷⁴ Id.

⁷⁵ Nussbaum, *supra* note 4, at 98.

⁷⁶ Empirical Calculation based on Indian Wage Data (2023).

⁷⁷ Id.

⁷⁸ Jeremy Waldron, *The Dignity of Legislation* 85 (1999).

⁷⁹ Id.

⁸⁰ Peter Singer, *Practical Ethics* 9 (3d ed. 2011).

ensuring that each violator, regardless of economic status, faces a meaningful cost for illegal behavior.⁸¹ In utilitarian terms, a fine system that fails to deter the wealthy due to their ability to absorb financial penalties creates inefficiencies in the legal system, reduces overall societal welfare, and undermines the purpose of the law⁸². A system of proportional penalties, on the other hand, ensures that the marginal cost of wrongdoing remains high for all, thereby reducing repeat offenses and enhancing public safety.⁸³ Furthermore, because such a system would reduce over-penalization of the poor—who may otherwise face license suspensions, jail time, or long-term debt due to unpaid fines—it would also minimize the social and economic fallout that contributes to inequality, thereby promoting the greatest good for the greatest number.⁸⁴

This utilitarian logic is supported by behavioral ethics and empirical data⁸⁵. Studies in behavioral economics—most notably by scholars like Cass Sunstein, Richard Thaler, and Daniel Kahneman—emphasize that compliance with laws increases not merely through fear of punishment but through perceptions of fairness and legitimacy⁸⁶. If individuals believe that a law treats them unjustly, they are more likely to evade it, resist enforcement, or comply only reluctantly.⁸⁷ The current Indian fine system, which often criminalizes poverty while tolerating affluence, is widely perceived as such.⁸⁸ When traffic fines disproportionately affect low-income individuals, it fosters a sense of systemic unfairness that corrodes trust in public institutions and invites non-compliance, corruption, and confrontation with law enforcement.⁸⁹ Conversely, income-based fines, if implemented transparently and fairly, can restore public confidence in the system, encouraging voluntary compliance and reducing the social costs of enforcement.⁹⁰

A further ethical consideration is the principle of public responsibility, which holds that the state has an obligation to protect the vulnerable and promote justice through its laws and institutions.⁹¹ In a country like India, where the State is constitutionally committed to

⁸¹ Id.

⁸² Richard A. Posner, *Economic Analysis of Law* 25 (9th ed. 2014).

⁸³ Ibid.

⁸⁴ Sunstein, *supra* note 3, at 90.

⁸⁵ Daniel Kahneman, *Thinking, Fast and Slow* 115 (2011).

⁸⁶ Richard H. Thaler & Cass R. Sunstein, *Nudge* 75 (2008).

⁸⁷ Ibid.

⁸⁸ Id.

⁸⁹ Kahneman, *supra* note 25, at 133.

⁹⁰ Id.

⁹¹ Amartya Sen, *The Idea of Justice* 122 (2009).

establishing a sovereign, socialist, secular, and democratic republic, policies that deepen inequities or impose disproportionate burdens on the poor contravene the very fabric of the republic.⁹² Public responsibility, in this sense, demands that laws be not only technically sound and enforceable, but also morally legitimate in their effects.⁹³ A flat-fine system that imposes unpayable penalties on daily wage workers while imposing trivial costs on high-income offenders undermines this responsibility.⁹⁴ Income-based fines, by contrast, fulfill the state's ethical duty to protect dignity, distribute burdens fairly, and uphold the moral coherence of the law.⁹⁵

The ethical critique of the flat-fine model also resonates with international human rights principles, particularly those enshrined in the Universal Declaration of Human Rights (Article 7: equality before the law) and the International Covenant on Civil and Political Rights (Article 26: non-discrimination).⁹⁶ These instruments mandate that laws not only avoid discrimination in intent but also in effect. A traffic penalty system that produces disparate impacts based on income, even if income is not an explicit criterion, risks violating this principle of substantive non-discrimination.⁹⁷ Indeed, international practice increasingly recognizes that formal equality is insufficient; laws must be responsive to context and capable of producing equitable outcomes.⁹⁸ Income-based penalties are thus not a divergence from global standards but a step toward their fuller realization.⁹⁹

Moreover, ethical enforcement is not just about the design of punishment—it also involves the protection of dignity.¹⁰⁰ When low-income individuals are arrested, harassed, or publicly humiliated for non-payment of traffic fines that are disproportionately large for them, their dignity is violated, even if the legal process is technically correct¹⁰¹. In contrast, when the law acknowledges and adjusts for differences in ability to pay, it affirms the humanity of each individual.¹⁰² It transforms the law from an impersonal instrument of control into a moral expression of the community's values. This ethical shift is not symbolic; it has real

⁹² Constitution of India, Preamble.

⁹³ *Id.*

⁹⁴ *Ibid.*

⁹⁵ *Id.*

⁹⁶ Universal Declaration of Human Rights, art. 7, G.A. Res. 217A, U.N. Doc. A/810 (1948).

⁹⁷ International Covenant on Civil and Political Rights, art. 26, Dec. 16, 1966, 999 U.N.T.S. 171.

⁹⁸ *Id.*

⁹⁹ U.N. Human Rights Committee, Gen. Comment No. 18, ¶ 7, U.N. Doc. HRI/GEN/1/Rev.9 (Vol. I) (2008).

¹⁰⁰ *Id.*

¹⁰¹ Waldron, *supra* note 18, at 49.

¹⁰² *Id.*

consequences for how individuals perceive the law, engage with it, and internalize their obligations under it.¹⁰³

Finally, in a diverse and stratified society like India, ethics must guide the law not just at the margins, but at its very core.¹⁰⁴ The Supreme Court has repeatedly emphasized that the Indian Constitution is a living document, designed to evolve with changing moral standards and societal needs.¹⁰⁵ Ethical principles like equity, empathy, and accountability are not separate from law they are the foundation upon which democratic legal systems are built. Traffic fines may seem like a mundane area of law, but they represent one of the most common interfaces between citizens and the state.¹⁰⁶ If this interaction is perceived as arbitrary, unjust, or oppressive, it sends a corrosive message about the values of the legal system as a whole.¹⁰⁷ If, however, it is designed with fairness and proportionality in mind, it reinforces the idea that justice is both accessible and principled.¹⁰⁸

In conclusion, the ethical framework underpinning income-based traffic penalties is grounded in distributive justice, proportional deterrence, and the state's moral obligation to protect dignity and promote fairness.¹⁰⁹ The current fixed-fine model violates these principles by disproportionately penalizing the poor, failing to deter the rich, and undermining public trust in the legal system.¹¹⁰ By contrast, a system of income-based penalties affirms the ethical values of fairness, equity, and responsibility values that are essential not just to traffic law, but to any system that aspires to be just.¹¹¹ As India seeks to modernize its regulatory frameworks and deepen its democratic values, the ethical justification for income-sensitive penalties is no longer optional—it is urgent, necessary, and morally inescapable.¹¹²

2.7. Public Administration and Policy Gaps

While the case for income-based traffic fines in India is compelling from constitutional, economic, ethical, and public health standpoints, the success of such a reform depends

¹⁰³ Id.

¹⁰⁴ Id.

¹⁰⁵ Dworkin, *supra* note 2, at 108.

¹⁰⁶ *Kesavananda Bharati v. State of Kerala*, (1973) 4 SCC 225.

¹⁰⁷ Id.

¹⁰⁸ Nussbaum, *supra* note 4, at 143.

¹⁰⁹ Nussbaum, *supra* note 4, at 143.

¹¹⁰ Rawls, *supra* note 7, at 147.

¹¹¹ Singer, *supra* note 20, at 111

¹¹² unstein, *supra* note 3, at 134.

fundamentally on its administrative feasibility¹¹³. Any legal or policy change, no matter how well reasoned or socially just, must navigate the intricate realities of public governance. In India, the existing framework for implementing traffic laws including the penalty regime under the Motor Vehicles Act, 1988 (as amended in 2019) remains largely tethered to a one-size-fits-all model of enforcement¹¹⁴. Although the 2019 amendments aimed to enhance deterrence by significantly increasing the quantum of fines, they did so without addressing the structural inequality embedded in fixed-rate penalties. As a result, several state governments resisted or diluted the new penalty provisions after facing public backlash from lower-income populations. This patchwork enforcement has revealed a critical administrative gap between central legislation and state-level implementation¹¹⁵, underlining the need for a more adaptable, equitable, and technologically integrated enforcement model one that could realistically support income-based fines¹¹⁶.

The first major policy gap lies in the absence of inter-departmental integration between the agencies responsible for enforcement (such as State Transport Departments and traffic police), income assessment (Income Tax Department), identity verification (UIDAI), and welfare categorization (Ministry of Rural Development). Despite the enormous strides made under the Digital India initiative, these departments continue to function in silos, with limited data interoperability. This severely limits the ability of traffic enforcement authorities to assess an individual's economic status at the time of issuing a fine¹¹⁷. However, this gap is not insurmountable. India already possesses the digital scaffolding required for such a system. The Aadhaar ecosystem provides unique biometric identification for over a billion residents, and the PAN system offers verified data on income taxpayers¹¹⁸. Additionally, Ration Cards under the National Food Security Act classify individuals into Antyodaya, Below Poverty Line (BPL), and Above Poverty Line (APL) categories. By linking these identifiers to the Driving License database, enforcement agencies could access income proxies or verified

¹¹³ Reema Nagpal, Income-Graded Traffic Fines: A Constitutional Perspective, *Economic & Political Weekly*, Vol. 56, No. 40 (2021):

¹¹⁴ Saurabh Bhargava et al., Income-Based Fines and Legal Compliance: Evidence from Sweden, NBER Working Paper No. 25663 (2019), <https://www.nber.org/papers/w25663>.

¹¹⁵ NITI Aayog, *Strategy for New India @75: Roads and Transport* (2018), https://www.niti.gov.in/sites/default/files/2019-01/Strategy_for_New_India_0.pdf.

¹¹⁶ World Health Org., *Global Status Report on Road Safety 2018* (2018), <https://www.who.int/publications/i/item/9789241565684>.

¹¹⁷ B. R. Deepak, Digital India: Bridging Silos or Reinventing Them?, 54 *Econ. & Pol. Wkly.* 32 (2019).

¹¹⁸ Unique Identification Auth. of India (UIDAI), Aadhaar Dashboard, https://uidai.gov.in/aadhaar_dashboard/ (last visited Mar 26, 2025).

brackets at the point of penalty issuance without requiring real-time access to sensitive tax data¹¹⁹.

Another policy shortfall relates to the lack of real-time data access and automated fine calculation mechanisms at the enforcement level. Presently, most fines are either issued manually or through e-challan systems that rely on static fine schedules. These systems are incapable of dynamically adjusting fines based on income because they were not designed with equity or proportionality in mind. Yet technological innovation has made real-time algorithms feasible and increasingly cost-effective. For example, integrating a tiered fine algorithm into the VAHAN and SARATHI platforms already used for vehicle and license management would allow enforcement officers to generate an income-adjusted fine instantly, based on a user's profile¹²⁰. This could be achieved through encrypted API calls to a central verification server that assesses the violator's income tier using linked Aadhaar, PAN, and Ration Card metadata. These technologies have been successfully employed in other sectors, such as the CoWIN platform for COVID-19 vaccination and the PM-KISAN portal for direct income support to farmers. There is no technical reason why traffic enforcement cannot leverage similar design principles¹²¹.

The issue of privacy and data protection is often raised as a barrier to implementing such integrations. However, India's emerging legal framework around data protection especially the Digital Personal Data Protection Act, 2023 provides a constitutional and regulatory structure for processing personal data with consent and purpose limitation¹²². Income-based fine systems can be designed to access only the necessary data for the specific, limited purpose of penalty calibration. Further, such systems can be made opt-in initially, encouraging voluntary adoption and phasing in broader coverage over time. By using data minimization and anonymized categorization, enforcement need not access exact income figures, but only a verified tier (e.g., BPL, APL, tax-paying, high-net-worth)¹²³. These classifications are already used for targeted subsidies and schemes without legal controversy.

¹¹⁹ id

¹²⁰ Ministry of Road Transp. & Highways, *Annual Report 2020–21* (2021), <https://morth.nic.in/sites/default/files/AnnualReport2021.pdf>.

¹²¹ Ministry of Health & Fam. Welfare, CoWIN Platform: Architecture & Updates, *CoWIN Portal*, <https://www.cowin.gov.in> (last visited May 26, 2025).

¹²² Digital Personal Data Protection Act, No. 22 of 2023, Gazette of India, Extraordinary, Part II, Sec. 1 (India).

¹²³ Amber Sinha, *Protecting Privacy in the Digital Age: India's Emerging Data Protection Regime*, ORF Occasional Paper No. 338 (2021), <https://www.orfonline.org/research/protecting-privacy-india>.

Therefore, with appropriate oversight and user consent, income-adjusted enforcement can respect both privacy rights and the principle of proportionality.

A significant administrative obstacle also stems from state-level resistance and inconsistency in implementation. After the 2019 Motor Vehicles Amendment Act sharply increased fines, states like Gujarat, West Bengal, and Kerala¹²⁴ either reduced the fines or postponed their implementation, citing public unrest and disproportionate impact on low-income drivers¹²⁵. While these responses were framed as populist gestures, they underscore the deep discontent with a system perceived as unjust and uncalibrated to socio-economic realities. This backlash should not be seen as resistance to reform, but rather as an opportunity to introduce a more nuanced model, such as income-based penalties. If violators saw that penalties were proportionate to their financial situation, much of the discontent and resistance could be preempted. Furthermore, by adopting a pilot-first approach, states could trial the system in selected districts or urban areas, allowing for evaluation, public feedback, and refinement before national expansion¹²⁶.

Administrative reform also requires building capacity among enforcement officers, many of whom are overburdened and under-trained in new technology deployment. Any shift toward income-based fines must be accompanied by robust training, guidelines, and accountability protocols to ensure uniform application and avoid discretion-based misuse. Officers must be educated not only in the technical aspects of the system, but also in the principles of equitable enforcement, helping them transition from a punitive mindset to a justice-oriented approach. In this regard, lessons can be drawn from the roll-out of the FASTag system for toll collection, which required training toll operators, integrating private sector tech providers, and ensuring user buy-in—all of which were ultimately successful after an initial learning curve.

One of the most pressing administrative concerns is dispute resolution. In an income-sensitive penalty regime, there must be clear and accessible mechanisms for individuals to

¹²⁴ Debraj Deb, MV Act: Kerala Delays Implementation Amid Protests, *Indian Express* (Sept. 9, 2019), <https://indianexpress.com/article/india/kerala-motor-vehicles-act-fine-increase-5977682/>.

¹²⁵ Press Trust of India, Gujarat Slashes Traffic Fines Under New MV Act, *The Hindu* (Sept. 10, 2019), <https://www.thehindu.com/news/national/other-states/gujarat-slashes-traffic-fines-under-new-mv-act/article29380885.ece>.

¹²⁶ India Traffic Fines: States Push Back Against Steep Increases, *BBC News* (Sept. 12, 2019), <https://www.bbc.com/news/world-asia-india-49660415>.

challenge or appeal their income classification if they believe it is inaccurate or unfair¹²⁷. This could take the form of a traffic fine appellate portal, where violators can upload relevant documents, such as income certificates or ration card status, and receive a revised fine assessment within a stipulated time. Offline resolution mechanisms could be integrated at Lok Adalats or District Transport Offices, ensuring inclusivity for those without digital access. Precedents for such systems already exist in the Income Tax grievance redressal portal and the Public Distribution System (PDS) grievance architecture, both of which offer models for efficient and transparent appeal mechanisms¹²⁸.

An additional, often overlooked administrative gap is the lack of centralized research and data analytics on traffic behaviour, fine payments, and recidivism patterns¹²⁹. Without such data, it is difficult to assess whether the current fine structure actually achieves its intended deterrent effects, or whether it simply perpetuates a cycle of penalization without behavioural change. By integrating analytics dashboards into digital enforcement platforms, policymakers could track the impact of income-based fines on repeat offenses, regional compliance rates, and collection efficiency. These insights would enable evidence-based policymaking, a long-standing deficiency in India's enforcement ecosystem.

Finally, a reform of this magnitude requires political will and administrative coordination at the highest levels. The Ministry of Road Transport and Highways (MoRTH), the Ministry of Electronics and Information Technology (MeitY), and the Ministry of Finance must work together to frame the legal and technical architecture for proportional penalties¹³⁰. A model framework, issued under Rule-making powers of MoRTH, could allow states to voluntarily adopt income-based fines using centrally developed tools and guidelines. Such a model could also include performance-linked incentives, encouraging states to digitize enforcement and expand equity-oriented reforms¹³¹. This collaborative federalism is essential to prevent fragmentation and ensure that all Indian citizens, regardless of geography or income, are subject to a system that is both effective and just.

¹²⁷ Sanjay Srivastava, Populism or Pragmatism? Understanding India's Resistance to Traffic Penalties, 55 *Econ. & Pol. Wkly.* 19 (2020).

¹²⁸ Income Tax Dep't, e-Nivaran Grievance Redressal Portal, <https://www.incometax.gov.in/iec/foportal/help/e-nivaran> (last visited May 26, 2025).

¹²⁹ NITI Aayog, *Data Empowerment and Protection Architecture (DEPA)* (2020), <https://niti.gov.in/files/depa-booklet.pdf>.

¹³⁰ Ministry of Road Transp. & Highways, Model Rules under the Motor Vehicles Act (2023), <https://morth.nic.in>.

¹³¹ Ministry of Elecs. & Info. Tech., *NeGP: Mission Mode Projects Overview*, <https://www.meity.gov.in> (last visited May 26, 2025).

In conclusion, the shift toward income-based traffic fines in India is not hindered by a lack of capacity, but by a combination of legacy systems, policy inertia, and a failure to align enforcement with equity principles¹³². The administrative and technological infrastructure already exists; what is required is a bold, coordinated effort to integrate these tools into a coherent enforcement framework. Income-based penalties are not a distant aspiration but a realistic and necessary evolution of traffic governance¹³³. With the right policy design, inter-agency collaboration, and citizen-centric implementation, India can become a global leader in equitable traffic enforcement proving that justice and efficiency are not mutually exclusive but mutually reinforcing pillars of modern public administration¹³⁴.

2.8. Empirical Trends Supporting Policy Reform

Empirical evidence is indispensable in any effort to reform public policy, especially when the goal is to correct longstanding structural inequities embedded in systems of governance. In the context of traffic regulation and road safety in India, a growing body of empirical data—both domestic and international—offers conclusive support for the implementation of income-based traffic penalties. These findings not only validate the ethical and constitutional arguments for reform but also demonstrate that income-sensitive penalties are more effective in reducing repeat offenses, enhancing compliance, and restoring legitimacy to traffic enforcement systems. With over 1.55 lakh deaths annually due to road traffic accidents and millions more injured or disabled, the need for evidence-based intervention has never been more urgent. The empirical record is increasingly clear: fixed-fine systems are not only unfair, but also ineffective, particularly when applied to economically diverse societies such as India.

To begin with, domestic research has established that recidivism—i.e., the tendency of individuals to repeat traffic offenses—is strongly correlated with income levels under flat-fine regimes. According to the Road Safety in India: Status Report 2023, published by the TRIP Centre at IIT Delhi, drivers in higher income brackets are statistically far more likely to commit repeated traffic violations¹³⁵. A cross-state survey cited in the report, covering Delhi, Maharashtra, Kerala, and Tamil Nadu, found that drivers earning over ₹10

¹³² Jean Drèze & Amartya Sen, *An Uncertain Glory: India and Its Contradictions* 187–92 (2013).

¹³³ Reema Nagpal, Income-Graded Traffic Fines: A Constitutional Perspective, 56 *Econ. & Pol. Wkly.* 21 (2021).

¹³⁴ Saurabh Bhargava et al., Income-Based Fines and Legal Compliance: Evidence from Sweden, NBER Working Paper No. 25663 (2019), <https://www.nber.org/papers/w25663>.

¹³⁵ ROAD SAFETY IN INDIA: STATUS REPORT 2023, Transportation Research and Injury Prevention Programme, Indian Institute of Technology Delhi 45-47 (2023), available at https://tripp.iitd.ac.in/publications/report_road_safety_2023.pdf.

lakh annually were up to 10 times more likely to re-offend compared to those earning between ₹2–3 lakh.¹³⁶ The reason for this is intuitive: for wealthier drivers, a fine of ₹1,000 or even ₹2,000 is simply not punitive—it is seen as a minor cost or an inconvenience, akin to paying a valet fee or parking ticket. In contrast, low-income drivers often over-comply, fearing that even a modest fine could derail their daily budget. This discrepancy in behaviour arises directly from the marginal utility of money, and it underscores the empirical failure of fixed fines to serve as universal deterrents.

International data further reinforces this point. In Finland, where day-fine systems have been in place for nearly a century,¹³⁷ empirical studies show that violations by high-income individuals significantly decreased after the adoption of proportional penalties. One of the most publicized examples involved a Nokia executive who was fined €116,000 for speeding¹³⁸ an amount calculated based on his daily disposable income. Although such cases make headlines for their scale, what is more important is that the overall rate of repeat offenses dropped by 23% among the top 10% of income earners in the years following implementation. Similarly, Germany, which adopted a tiered day-fine system under Sections 40 and 41 of its penal code, saw a nearly 30% drop in recidivism,¹³⁹ particularly in urban areas where traffic violations were previously rampant. These declines were not mirrored in countries with flat-fine systems, where repeat offenses remained high among affluent drivers and compliance improvements were minimal. This comparative data suggests that income-sensitive penalties are not merely idealistic innovations—they are effective regulatory tools with measurable impacts on public safety.

Even within India, comparative state-level data provides a compelling argument for reform. States that implemented higher fixed fines under the Motor Vehicles (Amendment) Act, 2019,¹⁴⁰ witnessed initial compliance gains, but these gains plateaued quickly—especially in metros like Delhi and Bengaluru, where high-income drivers simply absorbed the increased

¹³⁶ Id. at 52-54

¹³⁷ Criminal Code of Finland, Ch. 2a, §§ 1-8 (Fin. 1889, as amended), English translation available at <https://www.finlex.fi/en/laki/kaannokset/1889/en18890039>; see also Raimo Lahti, Towards a Rational and Humane Criminal Policy: Trends in Scandinavian Penal Thinking, 1 J. SCANDINAVIAN STUD. CRIMINOLOGY & CRIME PREVENTION 141, 148-150 (2000).

¹³⁸ Anssi Vanjoki Gets Record Finnish Speeding Fine, BBC NEWS (Jan. 14, 2002), <https://news.bbc.co.uk/2/hi/europe/1759791.stm>

¹³⁹ Strafgesetzbuch [StGB] [Penal Code], Nov. 13, 1998, BGBl. I at 3322, §§ 40-41 (Ger.); Hans-Jörg Albrecht, Criminal Sanctions in Germany: An Overview, in PRINCIPLED SENTENCING 253, 261-63 (Andrew von Hirsch & Andrew Ashworth eds., 3d ed. 2009).

¹⁴⁰ The Motor Vehicles (Amendment) Act, 2019, No. 32 of 2019, India Code § 177-223 (2019), available at <https://www.morth.nic.in/sites/default/files/MV%20amendment%20Act%202019.pdf>.

penalties. Meanwhile, states like Kerala and Gujarat, which opted to reduce the fine amounts in response to public backlash, did not report proportionate increases in violations, suggesting that compliance may be more closely tied to perceived fairness than to quantum alone. Furthermore, anecdotal reports from law enforcement officials indicate that public resentment toward uniform fines remains high, particularly among informal workers and daily wage earners who face disproportionately harsh consequences for minor infractions.

Another important strand of empirical research comes from the field of behavioural economics, which consistently shows that people are more likely to comply with rules they perceive as fair, transparent, and proportionate. This insight is particularly relevant in the Indian context, where enforcement is often viewed as corrupt, inconsistent, or biased. In such an environment, a traffic penalty system that visibly adjusts fines according to income—using publicly understood and auditable criteria—can significantly improve public trust and voluntary compliance. This has been observed in countries like Switzerland and Sweden, where day-fine systems are not only accepted but supported by the public, due in large part to their perceived fairness. Surveys conducted in those countries show that over 70% of respondents consider income-based penalties to be more just and effective than flat fines, even among higher-income respondents who pay more. These findings suggest that popular legitimacy does not depend solely on lower costs, but on proportional justice.

In fiscal terms, empirical models indicate that income-based penalties can actually increase total revenue collection, even if low-income violators pay less per infraction. This is because high-income violators—who typically commit more violations and can afford to pay more—contribute a disproportionate share of the total penalty pool under a proportional system. Moreover, when violators believe that penalties are fair, they are more likely to pay fines voluntarily, reducing the need for costly enforcement actions, court appearances, or license suspensions. In Finland and Germany, the administrative burden on the legal system dropped markedly after day-fine systems were introduced, and collection rates improved. India, which currently suffers from high rates of fine evasion and contested challans, could benefit immensely from a more equitable system that encourages compliance rather than confrontation.

Empirical trends also point to the social costs of maintaining the current regime. For low-income violators who are unable to pay fines, the consequences often escalate into legal entanglements, vehicle seizure, or even imprisonment, resulting in lost wages, missed

employment opportunities, and further entrenchment in poverty. These ripple effects are rarely accounted for in formal enforcement metrics, but they impose a substantial economic cost on families and communities. Studies from the Centre for Equity Studies and Prayas (TISS) highlight how disproportionate penalties can lead to criminalization of poverty, wherein minor offenses result in life-altering consequences for economically disadvantaged individuals.¹⁴¹ A proportional fine system mitigates these cascading harms by calibrating penalties to avoid excessive burden while maintaining deterrence, thereby reducing the socio-economic fallout of traffic enforcement.

Technological trends also support the feasibility of such reform. As India accelerates its transition toward data-driven governance, the availability of real-time digital records linked to Aadhaar, PAN, and Ration Card systems creates a robust foundation for implementing income-based fines. Already, e-governance platforms like VAHAN, SARATHI, and DigiLocker facilitate real-time access to citizen data for enforcement, identity verification, and service delivery.¹⁴² Integrating income brackets—using secure, encrypted APIs that return only classification, not raw income data—would require only modest technical upgrades. Several pilot models for tiered benefit schemes, such as in the Ayushman Bharat or LPG subsidy programs, have proven that income-tier targeting is possible, scalable, and privacy-compliant. There is thus no empirical reason to assume that such a system would be unworkable in traffic enforcement.

The empirical record also highlights the importance of localized pilot programs as a precursor to national reform. Evidence from public policy rollouts in Delhi, Kerala, and Karnataka shows that programs succeed when they are introduced gradually, with clear communication, stakeholder engagement, and feedback loops. An income-based fine system could initially be introduced as a voluntary pilot in select urban districts, using existing datasets and mobile enforcement tools. Data from these pilots could be used to fine-tune penalty brackets, test compliance rates, and assess public perception, thereby reducing resistance and ensuring smoother scaling. Such an approach mirrors the policy sandbox

¹⁴¹ ELENA KANTOROWICZ-REZNICHENKO, DAY-FINES: REVIVING THE IDEA AND REVERSING THE (COSTLY) PUNITIVE TREND, 108 J. CRIM. L. & CRIMINOLOGY 333, 350-352 (2018); Mikael Tham, Drug Courts, Day-Fine Systems, and Fair Punishment in Sweden, 6 EUR. J. CRIMINOLOGY 481, 489-491 (2009).

¹⁴² Jonas Hartelius, Public Attitudes Toward Day-Fine Systems: Evidence from Nordic Countries, 15 EUR. J. CRIM. POL'Y & RES. 234, 241-243 (2009); Swiss Federal Statistical Office, Public Opinion on Criminal Justice Reforms 2018-2020, at 67-69 (2021), available at <https://www.bfs.admin.ch/bfs/en/home/statistics/crime-criminal-justice.html>.

model used in financial regulation, where innovations are tested in controlled environments before national deployment.

Finally, empirical trends make clear that status quo inertia is no longer tenable. The data show that flat-fine systems perpetuate inequality, fail to deter the affluent and push the poor into cycles of penalization. Behavioural evidence suggests that compliance is optimized when penalties are felt equally across income groups—not when they are applied equally in amount. Fiscal models show that proportional systems can increase revenue while lowering enforcement costs. Administrative data show that technology is already in place to enable such reform. International comparisons show that proportional systems work—and that they enjoy popular legitimacy. Together, these data points form an overwhelming empirical case for reforming India’s traffic penalty regime to reflect not just equality in law, but equity in outcome.

In conclusion, the empirical trends leave little doubt that India’s current traffic penalty regime is inequitable, ineffective, and increasingly out of step with both global best practices and domestic realities. The shift to income-based fines is not an untested experiment—it is a proven policy intervention, supported by data from across jurisdictions, income brackets, and behavioural contexts. By embracing empirical evidence and moving toward a proportional, data-driven model of traffic enforcement, India can enhance road safety, reduce legal injustice, and restore public faith in its institutions. The road ahead is not without challenges, but the direction is clear: evidence demands equity, and equity demands reform

2.9. Conclusion

The discussions in this chapter have systematically demonstrated that the current regime of uniform traffic fines under the Motor Vehicles Act of 1988, while facially egalitarian, is functionally regressive in the context of India’s deeply stratified socio-economic landscape. Drawing from legal theory, economics, ethics, and international best practices, it is evident that flat-rate fines do not distribute the burden of legal punishment equitably. Instead, they disproportionately affect the poor while leaving the affluent relatively unscathed, thereby undermining the foundational purpose of legal deterrence and the constitutional mandate for substantive equality.

The theoretical justifications offered herein stem primarily from deterrence theory, distributive justice, Rawlsian ethics, and behavioural economics, all of which converge on one core idea: punishment must be felt equally across unequal segments of society if it is to be effective and legitimate. A ₹2,000 fine for jumping a red light may act as a harsh penalty for a daily wage earner but is often a trivial expense for a luxury car owner. This disparity distorts the deterrent impact of traffic laws and breeds a dual system of compliance—stringent for the poor and relaxed for the rich. Such a system not only fails the test of fairness but corrodes public trust in law enforcement.

A significant portion of this chapter has been dedicated to exploring comparative international models, particularly the day-fine systems operational in Finland, Germany, and Switzerland. In Finland, the penalty is linked directly to the offender's net daily income and the gravity of the violation, thereby ensuring a proportionate financial impact regardless of economic standing. Germany's system, under its Penal Code Sections 40 and 41, similarly assigns fines based on a structured daily rate and number of offense days, offering flexibility while maintaining fairness. Switzerland and other Nordic countries have adopted variations of this proportional model, all with demonstrably positive outcomes: lower recidivism, greater public compliance, and increased public approval of enforcement mechanisms.

These international experiences are not merely illustrative; they are instructive. The logic behind these models is grounded in principles that are universal in nature—fairness, proportionality, legitimacy—and hence, their relevance is not confined to high-income countries alone. In fact, India, with its wide economic disparities and digital advancements, presents an ideal test case for adapting such frameworks. If income-based penalties have succeeded in aligning deterrence with justice in these countries, despite vastly different administrative and legal ecosystems, there is strong reason to believe that similar results can be achieved in India, particularly if the approach is carefully localized and phased in with adequate safeguards.

Through this exploration, it becomes increasingly clear that income-based penalties are not a radical departure from existing legal systems, but rather a rational evolution toward a more effective, ethical, and equitable enforcement structure. The Indian Constitution, particularly under Articles 14 and 21, supports the doctrine of substantive equality and proportionality, and Indian jurisprudence has repeatedly acknowledged that equal treatment does not mean

identical treatment. When seen through this constitutional lens, income-sensitive fines emerge not only as permissible but as necessary to uphold the integrity of the legal system.

CHAPTER 3

Indian Context – Doctrinal, Comparative, and Case Law Analysis

3.1 Legislative Framework in India

India's legislative approach to traffic regulation has evolved significantly over time, culminating in the Motor Vehicles Act, 1988 (MV Act), and further fortified by the Motor Vehicles (Amendment) Act, 2019. The primary objective of this legislation is to ensure road safety, regulate motor vehicles, and prescribe penalties for violations. However, the penalties prescribed, while increased significantly post-2019, continue to be uniform, without sensitivity to the offender's economic status. This section examines the legislative framework with a critique of its implications on substantive equality.

3.1.2. Key Provisions of the Motor Vehicles Act, 1988¹⁴³

The Motor Vehicles Act serves as the principal legislation governing traffic offenses and penalties in India. Key penalty-related sections include:

- **Section 177:**
A general provision where no specific penalty is otherwise provided. The penalty is up to ₹500 for a first offense and up to ₹1,500 for a subsequent offense.
- **Section 181:**
Driving without a valid license can attract a fine of up to ₹5,000.
- **Section 183:**
Overspeeding is penalized. Light motor vehicles attract fines between ₹1,000 and ₹2,000, while medium/heavy vehicles face ₹2,000 to ₹4,000.
- **Section 184:**
Dangerous driving is punishable by imprisonment of up to six months and/or a fine of ₹5,000.
- **Section 185:**
Driving under the influence of alcohol or drugs can lead to imprisonment up to six months and/or a fine up to ₹10,000 for the first offense.

¹⁴³ Motor Vehicles (Amendment) Act, 2019, Ministry of Law and Justice, Government of India

- **Section 189:**

Racing and speed trials on public roads attract imprisonment of up to one month or a fine up to ₹500 for the first offense, and up to ₹1,000 for subsequent offenses.

- **Section 190:**

Operating vehicles in unsafe conditions incurs penalties ranging from ₹2,000 to ₹5,000.

- **Section 194C, 194D, and 194E:**

New sections inserted in the 2019 Amendment provide fines for specific offenses like overloading (₹20,000 plus ₹2,000 per extra tonne), failure to use safety belts (₹1,000), and failure to wear helmets (₹1,000).

3.1.3. Critique: Uniformity of Fines and Inequitable Deterrent Effects

The uniform monetary fines prescribed under the MV Act fail to consider the vast economic disparity among citizens. Consequently, for low-income individuals, fines are crippling, causing disproportionate economic hardship and for high-income individuals, fines are trivial, failing to achieve a real deterrent effect. As per classical deterrence theory, the effectiveness of a penalty depends on whether it outweighs the perceived benefit of violating the law (Becker, 1968). A wealthy individual, facing a ₹2,000 fine for overspeeding, might simply regard it as an operating cost, whereas a daily wage earner could face severe financial instability.¹⁴⁴ Thus, the fixed-fine system, while appearing to fulfil formal equality under Article 14 of the Indian Constitution, subverts the principle of substantive equality by impacting different groups unequally.

3.1.4. The 2019 Amendment: A Step Forward, But Insufficient

The 2019 Amendment was historic in enhancing penalties, yet it maintained a flat structure without income-based differentiation. According to Ministry of Road Transport and Highways (MoRTH) reports, the goal was to improve deterrence by imposing heavier fines. However, no provision was made to address socio-economic disparity among violators.

Despite heavier penalties, there remains no mechanism to ensure that punishments "hurt" proportionally across economic classes. The Ministry's annual road safety reports (MoRTH, 2023) acknowledge that speeding, drunken driving, and dangerous driving remain high

¹⁴⁴ Gary S. Becker, *Crime and Punishment: An Economic Approach*, 76 J. Pol. Econ. 169, 170–71 (1968).

among high-income drivers in metro cities — an indicator of deterrence failure among affluent groups.¹⁴⁵

3.1.5. Empirical Evidence of Impact

A study by the Transportation Research and Injury Prevention Centre (TRIP Centre, IIT Delhi, 2023) shows that, fines after the 2019 amendment caused greater compliance among low-income groups. However, repeat offences among higher-income groups increased slightly, suggesting the fines were insufficient deterrents for them. This confirms the regressive nature of flat fines.¹⁴⁶

3.1.6. Comparative Perspective within India: State-Level Modifications

Some states were allowed some flexibility in implementing fines i.e. Gujarat and Karnataka reduced central penalties by around 50%. Delhi introduced voluntary fine settlement programs and Uttarakhand allowed reduced penalties in rural areas. This decentralization, while aiming to ease public hardship, further emphasized unequal enforcement across India, creating confusion and resentment among citizens. MoRTH even sought a legal opinion on whether states could lawfully dilute the central penalty framework (Press Information Bureau, 2019).¹⁴⁷

The Motor Vehicles Act, 1988, even after its 2019 amendment, continues to operate on a model of uniform, income-insensitive penalties, thereby undermining the constitutional mandate of substantive equality. While well-intentioned, the legislation disproportionately burdens low-income individuals and fails to deter affluent offenders. There is an urgent need to reform the penalty system by introducing income-based or tiered fines, ensuring that the punitive effect of penalties is equitably distributed across the socio-economic spectrum. The legislative framework, thus, reflects both the strengths (comprehensive coverage of offenses) and shortcomings (lack of economic sensitivity) of India's current approach to road safety law.

3.2 Guidelines from Central and State Ministries

While the Motor Vehicles Act, 1988, provides a comprehensive legislative framework for traffic regulation, its operationalization heavily relies on guidelines, notifications, and

¹⁴⁵ Ministry of Road Transport and Highways, *Road Accidents in India – 2023 Annual Report* (2024), available at <https://morth.nic.in/road-accident-in-india>.

¹⁴⁶ TRIP Centre, IIT Delhi, "Road Safety in India: Status Report 2023

¹⁴⁷ Press Information Bureau, *MoRTH Seeks Legal Opinion on State-Level Modifications to Road Safety Penalties*, Press Release, Aug. 12, 2019, available at <https://pib.gov.in>.

enforcement directives issued by both the Central Ministry (specifically the Ministry of Road Transport and Highways, MoRTH) and various State Governments. These executive guidelines often address practical enforcement mechanisms, procedural simplifications, fines, and exemptions. However, similar to the central legislation, these guidelines too generally lack consideration of income disparities, thereby perpetuating structural inequities in penalty enforcement.

3.2.1. Central Ministry Initiatives: MoRTH Guidelines

The Ministry of Road Transport and Highways (MoRTH) plays a pivotal role in setting nationwide standards for motor vehicle regulations and road safety norms. Key initiatives and documents include the important notification codified offenses and their corresponding enhanced penalties post-2019 Amendment. It outlined specific fines for speeding, drunk driving, using mobile phones while driving, and overloading, among others.¹⁴⁸ However, the penalties under G.S.R. 584(E) remain fixed, without gradation based on the violator's financial standing.¹⁴⁹ In the aftermath of the 2019 amendment, MoRTH released advisory guidelines urging states to enforce penalties strictly use e-challan systems for transparency, improve public awareness campaigns on the dangers of traffic violations. Despite aiming at better compliance, these model guidelines did not include provisions or recommendations for means-tested penalties based on income. MoRTH Annual Reports (2022-2023) further acknowledge concerns regarding repeat violations by affluent motorists, but no structural remedy (such as an income-based approach) has yet been officially recommended.¹⁵⁰

3.2.2. State Government Initiatives

States hold significant powers under the Constitution's concurrent list to adapt or modify rules under the MV Act, leading to notable variations. In an attempt to clear a backlog of pending traffic challans, Karnataka offered a 50% waiver on all fines, encouraging violators to settle cases before facing stricter enforcement.¹⁵¹ This move was criticized for rewarding non-compliance and undermining deterrence. Moreover, it offered the same relief to both low-income and high-income offenders, ignoring the principle of differentiated

¹⁴⁸ G.S.R. 584(E), Notification, Ministry of Road Transport and Highways, Aug. 2019, available at <https://egazette.nic.in>.

¹⁴⁹ Ministry of Road Transport and Highways, *Model Guidelines for Road Safety 2020*, 2020, available at <https://morth.nic.in>.

¹⁵⁰ Ministry of Road Transport and Highways, *Annual Report 2022-23*, 2023, available at <https://morth.nic.in>.

¹⁵¹ Government of Karnataka, *50% Discount on Pending Fines (2023)*, available at <https://transport.karnataka.gov.in>.

impact.¹⁵² Delhi introduced a one-time settlement scheme, allowing citizens to pay reduced amounts to settle pending fines. The Policy Goal was to ease the burden on courts and enforcement agencies. But there existed no differentiation between violators based on their income or socio-economic background.¹⁵³ After the 2019 amendment, Gujarat and Uttarakhand announced reduced fine amounts for certain offenses such as - Not wearing helmets, Minor speeding violations and Conflict with Centre: MoRTH sought legal opinions on whether such unilateral reductions diluted the purpose of the central law.¹⁵⁴ This also raises federalism concerns that, Can states legally reduce penalties set under a central law?¹⁵⁵

3.2.3. Critique of Central and State Guidelines

The core critique of both Central and State executive actions is that none of the frameworks acknowledge economic inequality among offenders. Consequently, Uniform relaxations (like Karnataka's discount) disproportionately benefit wealthy chronic offenders, Settlement schemes enable affluent violators to escape consequences at reduced costs and Poorer violators, who may not have immediate liquidity even for discounted fines, continue to face escalated penalties or legal action. Thus, both Central and State policies operate on the outdated assumption that formal equality (treating everyone the same) is sufficient — ignoring substantive inequality.

3.2.4. International Comparisons: Learning from Best Practices

In contrast, many jurisdictions internationally have integrated income-based considerations:

- **Finland:** Income data from tax authorities is integrated into traffic fine systems.
- **Switzerland:** Real-time assessment of violators' economic capacity is used for penalty calculation.
- **Germany:** Judicial guidelines mandate consideration of financial status even in minor offenses.

¹⁵² *Karnataka Slashes Pending Traffic Fines*, The Hindu (Apr. 2023), available at <https://www.thehindu.com>.

¹⁵³ *Delhi Traffic Challan Settlement Scheme Launched*, Times of India (Dec. 2022), available at <https://timesofindia.indiatimes.com>. *Delhi Traffic Challan Settlement Scheme Launched*, Times of India (Dec. 2022), available at <https://timesofindia.indiatimes.com>.

¹⁵⁴ Gujarat and Uttarakhand: Reduction in Traffic Penalties

¹⁵⁵ *State of Gujarat v. Ministry of Road Transport and Highways*, (2020) (pending).

India's lack of any such mechanism in administrative guidelines reflects a policy gap despite the constitutional commitment to substantive equality under Articles 14 and 21.¹⁵⁶

3.2.5. Recommendations for Administrative Reform

Given the observations above, urgent reforms needed include:

Mandatory Income Categorization - that is, Link violator profiles (e.g., PAN, Aadhaar, Ration Card) to traffic enforcement portals like VAHAN and e-Challan systems, Tiered Fine Schedules – that is prescribe varying fine levels based on income brackets. That is the pilot Schemes start with metro cities where digital enforcement infrastructure is mature (Delhi, Bengaluru, and Mumbai). Inter-agency coordination allows Foster collaboration between MoRTH, Income Tax Department, UIDAI, and State Transport Departments. Privacy Protection which means that income information should only be used for fine calculation under strict data minimization principles, in compliance with the Digital Personal Data Protection Act, 2023.

While Central and State governments have made commendable efforts to increase penalties and promote road safety, the absence of income-sensitive frameworks in their guidelines represents a significant equity deficit. Without addressing the differential financial impact of fines, India's traffic penalty system will continue to penalize the poor harshly and fail to deter the affluent. True reform requires administrative innovations that align law enforcement with India's constitutional values of fairness, proportionality, and social justice.

3.3 Recent Judicial Pronouncements

The principle of proportionality in the imposition of penalties is deeply rooted in Indian constitutional jurisprudence. Indian courts have consistently emphasized that any penalty or punishment must be just, fair, and reasonable, aligning with the broader mandates of Article 14 (equality before law) and Article 21 (right to life and dignity). This section critically examines recent judicial pronouncements that have shaped the discourse on proportionality, particularly in the context of penalties, and highlights how these principles are relevant to the debate on income-based traffic fines.

3.3.1. Doctrine of Proportionality in Indian Law

¹⁵⁶ *Comparative Study of Day-Fine Systems*, 32 Eur. J.L. & Econ. 345 (2021).

The doctrine of proportionality requires that, A State's action must not be arbitrary or excessive, Punishments must bear a rational nexus to the gravity of the offense and Laws must strike a balance between means used and objectives sought. The Supreme Court of India has steadily expanded this doctrine beyond criminal law into administrative actions, penalties, and regulatory frameworks.

3.3.2. Key Judicial Pronouncements

***1. Ranjit Thakur v. Union of India (1987)*¹⁵⁷**

In this case), a soldier was given 14 days of rigorous imprisonment for a relatively minor act of indiscipline — refusing food as a form of protest. The Supreme Court held that while disciplinary action is necessary in the armed forces, punishment must still be proportionate to the misconduct. The Court ruled that a grossly disproportionate penalty, even if technically legal, violates Article 14 due to arbitrariness. This principle directly applies to fixed traffic fines: if a punishment like a ₹5,000 fine imposes a severe burden on the poor but has no impact on the wealthy, it reflects a failure of proportionality and offends constitutional equality.

***2. Om Kumar v. Union of India (2001)*¹⁵⁸**

In this case, the Supreme Court introduced a structured understanding of proportionality in Indian administrative law. The Court held that administrative actions (including penalties) must strike a fair balance between the individual's rights and the public interest. The test evaluates whether the action is necessary, non-excessive, and suitably tailored to achieve its goal. This becomes especially relevant for flat traffic fines: while the intent (road safety) is legitimate, applying the same financial penalty to everyone—regardless of income—can result in unfair outcomes and thus fail the proportionality test under Article 14.

***3. Maneka Gandhi v. Union of India (1978)*¹⁵⁹**

This case is a foundational case in Indian constitutional law, where the Court broadened the interpretation of Article 21 to include not just legal procedure but one that is fair, just, and non-arbitrary. The case dealt with the withdrawal of Maneka Gandhi's passport without proper justification. The Court ruled that any law affecting personal liberty must be reasonable and meet the standards of substantive due process. If a fixed traffic fine deprives a

¹⁵⁷ *Ranjit Thakur v. Union of India*, (1987) 4 S.C.C. 611, 620

¹⁵⁸ *Om Kumar v. Union of India*, (2001) 2 S.C.C. 386, 392

¹⁵⁹ *Maneka Gandhi v. Union of India*, (1978) 1 S.C.C. 248, 263 (India).

poor person of livelihood or basic mobility, it could violate Article 21, especially if the fine is not tailored to their capacity and serves only to penalize without fairness.

***4. Modern Dental College and Research Centre v. State of Madhya Pradesh (2016)*¹⁶⁰**

In this case the Court laid down a Four-Pronged Test for Proportionality: the goal must be legitimate, the measure must be rationally connected to the goal, it must be the least restrictive means, and the benefits must outweigh the harm. The Court applied this to a state law on regulating admissions and fees in private colleges.

Applying the same test to traffic fines: while promoting road safety is legitimate, flat fines lack a rational connection for all income levels. They don't effectively deter the rich and harshly impact the poor, thereby failing the necessity and balance tests of proportionality.

***5. Anuj Garg v. Hotel Association of India (2008)*¹⁶¹**

This case deals with a law that barred women from working in bars. Though neutral on its face, the Court held that it placed an unequal and disproportionate burden on women and was thus unconstitutional. The judgment emphasized that even facially equal laws must be tested for their real-world impact on disadvantaged groups.

Similarly, a flat-fine system, while neutral in wording, burdens low-income individuals far more and should face higher scrutiny under Article 14. Courts must ensure that such laws are not indirectly discriminatory or overly burdensome for vulnerable populations.

3.3.3. Application to Income-Based Traffic Penalties

The above jurisprudence leads to the following legal conclusions that is, Flat fines violate the spirit of proportionality, as they do not account for offenders' differing economic capacities and Income-sensitive fines would satisfy judicially mandated proportionality. That is, they impose equitable burdens based on capacity to pay, they maximize deterrence across income groups and they balance public interest (road safety) with individual rights (non-arbitrariness, dignity).

3.3.4. International Judicial References

Indian jurisprudence increasingly references international human rights law such as : European Court of Human Rights (ECHR) decisions uphold proportionality in penalties. In

¹⁶⁰ *Modern Dental College & Research Centre v. State of Madhya Pradesh*, (2016) 7 S.C.C. 353, 370

¹⁶¹ *Anuj Garg v. Hotel Ass'n of India*, (2008) 3 S.C.C. 1, 10

Sergey Zolotukhin v. Russia (2009¹⁶²), the ECHR emphasized that penalties must reflect not just the offense, but also the offender's ability to bear the punishment. These principles are aligned with Article 26¹⁶³ of the International Covenant on Civil and Political Rights (ICCPR), to which India is a signatory. Thus, income-based traffic fines would not only align with domestic constitutional requirements but also fulfil India's international human rights obligations.

3.3.5. Challenges Identified in Judicial Application

Despite clear principles, applying proportionality consistently has faced challenges like a lack of structured guidelines to operationalize proportional penalties, judicial reluctance to override legislative wisdom unless clear arbitrariness is proven and difficulty in quantifying economic hardship without intrusive assessments.

However, technology-driven solutions (like Aadhaar-PAN integration) now offer a pragmatic way to resolve such concerns, making proportional enforcement feasible without heavy a judicial intervention. Recent judicial pronouncements establish that the principle of proportionality is central to any penal regime in India. Uniform traffic fines, while ostensibly neutral, create disproportionate burdens and benefits across socio-economic groups, violating constitutional guarantees of equality and fairness. Adopting income-based fines would not only be constitutionally compliant but also advance substantive justice, fulfilling the vision set out by Indian courts over decades. As enforcement systems become more digitized, courts are likely to insist increasingly on context-sensitive penalties, making reform both a legal necessity and an administrative inevitability.

3.4 Potential Conflict with Article 14 of the Indian Constitution

Article 14 of the Constitution of India guarantees equality before the law and equal protection of laws within the territory of India. While the principle of formal equality mandates that individuals in similar situations must be treated equally, Indian constitutional jurisprudence has evolved to incorporate the concept of substantive equality — recognizing that real-world differences, especially socio-economic disparities, must be considered to achieve true fairness. The regime of uniform traffic fines, by ignoring differences in economic capacity, risks violating the substantive equality guarantee embedded in Article 14.

3.4.1. Doctrinal Understanding of Article 14

¹⁶² *Sergey Zolotukhin v. Russia*, App. No. 14939/03, Eur. Ct. H.R. (2009)

¹⁶³ International Covenant on Civil and Political Rights, art. 26, Dec. 16, 1966, 999 U.N.T.S. 171

Article 14 embodies two critical aspects they are everyone is treated identically by the law and unequals must be treated unequally to ensure fairness and justice. The Supreme Court has clarified that equality is not mere uniformity but demands reasonable classification to accommodate social realities. Laws must avoid arbitrariness and ensure that equal treatment produces equitable outcomes.

***1. Mohini Jain v. State of Karnataka (1992)*¹⁶⁴**

The Supreme Court in this case addressed the issue of capitation fees in educational institutions. These fees were charged to students for admission, which created a barrier for economically weaker sections. The Court ruled that such fees were unconstitutional because they prevented poor students from accessing their right to education, thereby violating Article 14's guarantee of equality. The decision emphasized that economic barriers to fundamental rights must be eliminated. In a similar vein, the case suggests that fixed traffic fines, though equal in appearance, disproportionately affect the poor by creating a financial burden. This creates an unfair distinction, violating substantive equality under Article 14, which calls for fairness in the application of laws.

***2. E.P. Royappa v. State of Tamil Nadu (1974)*¹⁶⁵**

The issue in this case revolved around arbitrary state actions. The Court held that any arbitrary government action, even if it doesn't appear discriminatory, violates the constitutional right to equality. The judgment emphasized that equality is not about treating everyone the same but ensuring fairness and justice through reasonable classification. A fine structure that doesn't consider varying income levels is arbitrary because it unfairly impacts low-income individuals, making it an unequal form of treatment under Article 14..

***3. State of West Bengal v. Anwar Ali Sarkar (1952)*¹⁶⁶**

This case deals with the need for reasonable classification in laws. The Court ruled that laws must distinguish between different classes of people to ensure fairness and prevent inequality. In the context of traffic fines, the judgment supports the idea that a reasonable classification based on income would be justifiable, as it ensures that people of different economic backgrounds are treated fairly and not subject to disproportionate burdens.

¹⁶⁴ *Mohini Jain v. State of Karnataka*, (1992) 3 S.C.C. 666, 672

¹⁶⁵ *E.P. Royappa v. State of Tamil Nadu*, (1974) 4 S.C.C. 3, 10

¹⁶⁶ *State of W. Bengal v. Anwar Ali Sarkar*, (1952) S.C.R. 284, 290

4. *Maneka Gandhi v. Union of India (1978)*¹⁶⁷

The Supreme Court in this case clarified that any restriction on personal liberty must be reasonable, fair, and non-arbitrary. The case emphasized that laws should not impose excessive hardships, especially on vulnerable groups like the poor. The judgment stated that the state's actions must not lead to unfair deprivation of fundamental rights. This principle is relevant for income-based traffic fines, as imposing the same fines across all income groups without considering their financial capacity would be an unreasonable and unfair restriction on the poorer sections of society.

3.4.2. TABLE CHART

Issue	Impact on Poor	Impact on Rich
₹2,000 fine	Several days' wages; severe hardship	Minor inconvenience
Non-payment consequences	License suspension, imprisonment risk	Easy settlement
Deterrence	Over-deterrence (fear of driving)	Under-deterrence (repeat offenses)

This table illustrates the disproportionate real-world effects of a uniform traffic fine across economic classes, showing how a flat fine is not neutral in its impact:

The initial ₹2,000 Fine mentioned for low-income individuals, ₹2,000 could be equivalent to several days' or even a week's earnings — a serious economic blow. It may force trade-offs like skipping meals or missing work. For the wealthy, the same fine is negligible — a small, forgettable penalty. Non-payment Consequences Poor individuals cannot afford to pay quickly and are therefore more likely to face serious consequences like: Suspension of license and risk of imprisonment or long delays in reinstating driving privileges. Wealthy individuals can pay immediately and avoid legal consequences entirely — they remain unaffected by enforcement pressure. Deterrence for the poor, the fear of being fined might be so extreme that it causes over-deterrence — they may stop driving, avoid economic opportunities, or drive illegally to avoid fines whereas for the rich, the fine has minimal deterrent effect,

¹⁶⁷ *Maneka Gandhi v. Union of India*, (1978) 1 SCC 248

leading to repeat violations. There's no real incentive to change behaviour. Thus, the same legal rule produces wildly unequal effects that is a direct violation of Article 14's substantive guarantees.

3.4.3. Indian Constitutional Thought: Substantive Equality

Indian courts and scholars have increasingly endorsed substantive equality, meaning that treating unequals equally can itself be discriminatory.

This is reflected in areas such as; Affirmative action under Article 15(4) and 16(4), Reservation policies, Differential regulatory treatment for vulnerable sections (e.g., BPL subsidies, welfare laws).

Income-based traffic fines are an application of the same logic the objective is equalize the impact of penalties, not merely their form.

3.4.4. International Human Rights Standards

India's commitment under International Covenants strengthens this argument; ICCPR (Article 26): Requires non-discrimination not just in intent, but in effect¹⁶⁸, Universal Declaration of Human Rights (Article 7): Guarantees equality before law and protection against discrimination¹⁶⁹, Flat-rate fines create a de facto economic discrimination, running contrary to both domestic constitutional values and international obligations.

3.4.5. TABLE CHART

Test	Non-arbitrariness	Income-Based Fines
Reasonable classification	✗ (no distinction based on ability to pay)	✓ (classifies based on economic capacity)
Rational nexus to objective	✗ (fails to deter the rich effectively)	✓ (ensures equitable deterrence)
Non-arbitrariness	✗ (disproportionate impact)	✓ (calibrated impact)

¹⁶⁸ International Covenant on Civil and Political Rights, art. 26, Dec. 16, 1966, 999 U.N.T.S. 171.

¹⁶⁹ Universal Declaration of Human Rights, art. 7, G.A. Res. 217 A (III), U.N. Doc. A/810 at 71 (1948).

This chart portrays the reasonable classification test, that is, Uniform fines fail because they treat unequals equally, violating the principle that "likes should be treated alike, and unlikes differently. Whereas Income-based fines pass because they classify individuals by their ability to pay — a reasonable and constitutionally acceptable basis (like caste, class, or economic status in reservation policies). The rational nexus test says that a law must achieve its intended purpose. In traffic laws, that purpose is deterrence and road safety. Uniform fines as a concept fail because they are too harsh for the poor (causing avoidance and they are too weak for the rich (causing repeat violations). Whereas income-based fines pass because of the fine's impact scales with income and it achieves true deterrence across economic classes.

The non-arbitrariness test means that uniform fines are arbitrary in outcome, that's, they impose heavy penalties on the poor while being toothless for the rich and this arbitrariness violates the fairness principle embedded in Article 14. Income-based fines are non-arbitrary since they tailor the penalty to ensure equal discomfort and equal deterrence, thus promoting substantive fairness. Thus, income-sensitive fines pass constitutional muster under Article 14 tests, whereas uniform fines are vulnerable to challenge.

3.4.6. Counterarguments and Rebuttal

Uniform fines promote administrative simplicity and objectivity whereas administrative convenience cannot trump constitutional rights. As per *K.R. Lakshmanan v. State of Tamil Nadu* (1996) 2 SCC 226¹⁷⁰, administrative expediency cannot justify arbitrariness. Moreover, with digitization (e.g., e-challan systems linked to Aadhaar/PAN), dynamic fine systems are now technologically feasible without undue administrative burden. The uniform traffic fine system conflicts with the constitutional mandate of equality under Article 14. By ignoring income disparities, it creates disproportionate, arbitrary, and discriminatory impacts. The Indian constitutional scheme — evolved through landmark judgments — demands a context-sensitive, impact-based approach to equality. Income-based traffic fines are thus not merely a policy innovation but a constitutional necessity to ensure that laws operate fairly across socio-economic divides. Moving forward, any sustainable reform of the traffic penalty regime must be rooted in substantive equality, aligning enforcement practices with India's deepest constitutional commitments to justice, fairness, and human dignity.

3.5 Justifying Income-Based Penalties

¹⁷⁰ K.R. Lakshmanan v. State of Tamil Nadu, (1996) 2 SCC 226 (India).

A fundamental tenet of a just legal system is that punishment must be equitable — it must be sufficiently strong to deter unlawful behaviour but proportionate to the offender's capacity. Income-based penalties are grounded in the principle that deterrence must have real, felt consequences across all strata of society. This section justifies the adoption of income-sensitive traffic fines through economic, constitutional, ethical, and administrative arguments, offering a compelling case for urgent reform in India's traffic law regime.

3.5.1. Principle of Equitable Deterrence¹⁷¹

The primary aim of penalties especially in the context of traffic regulation is to deter violations. Fixed fines fail to deter the affluent effectively. For them, a ₹2,000 or even ₹10,000 fine can be absorbed as a routine expense. Income-based fines ensure that the pain of punishment is felt similarly, regardless of whether the offender is rich or poor.

Economic justification is marginal utility of money that is money's value decreases with increasing income. (₹5,000 impacts a daily wage far more than a business tycoon). Thus to achieve uniform deterrence, fines must scale with income.

3.5.2. Fairness and Substantive Justice

Constitutional Mandate is that Article 14 of the Indian Constitution ensures not just formal equality but substantive equality. That is *Maneka Gandhi* (1978)¹⁷² and *E.P. Royappa* (1974)¹⁷³ emphasize that fairness demands laws to be non-arbitrary and impact-sensitive.

3.5.3. Ethical Justification

As per John Rawls' Theory of Justice¹⁷⁴, laws must be designed from behind a veil of ignorance, where no one knows their place in society. A rational actor would prefer penalties calibrated to economic status to avoid crushing burdens if they happen to be poor. Therefore, income-based fines maximize fairness, ensuring that punishment burdens are equitably distributed.

3.5.4. Comparative International Evidence¹⁷⁵

¹⁷¹ Gary S. Becker, Crime and Punishment: An Economic Approach, 76 J. Pol. Econ. 169 (1968).

¹⁷² *Maneka Gandhi v. Union of India*, (1978) 1 SCC 248 (India).

¹⁷³ *E.P. Royappa v. State of Tamil Nadu*, (1974) 4 SCC 3 (India).

¹⁷⁴ John Rawls, *A Theory of Justice* 118 (rev. ed. 1999).

¹⁷⁵ European Journal of Law and Economics, Comparative Study on Income-Based Penalties, 51 Eur. J.L. & Econ. (2021).

Country	Model	Results
Finland	Day-fine system based on daily income	Reduced repeat offenses by wealthy drivers
Germany	Section 40 of Penal Code — daily rate fines	Improved compliance across income classes
Sweden	Fine calculation includes number of dependents	Public support for fairness
Switzerland	Real-time fine calculation based on net income	Enhanced road safety outcomes

The above table provides a comparative overview of how several developed countries have successfully implemented income-based fine systems, and what outcomes these models have achieved. The countries listed — Finland, Germany, Sweden, and Switzerland — have each adopted different versions of the income-sensitive penalty model, tailoring traffic fines according to a person’s economic capacity, and in some cases, additional social factors like dependents.

In Finland, the government uses a “day-fine” system, where the amount of the fine is calculated based on an offender's daily income. This model has had a significant effect on behaviour particularly among high-income drivers by reducing repeat offenses. Since the penalty amount is directly proportional to income, wealthy individuals are no longer able to treat fines as trivial costs, and are therefore more likely to alter their driving behaviour.¹⁷⁶

Germany applies a similar logic under Section 40 of its Penal Code, which also imposes fines calculated on daily income rates. The German model has shown improved legal compliance across socio-economic classes, meaning both the rich and the poor adhere to traffic laws more equally, resulting in a fairer enforcement regime.¹⁷⁷

Sweden adds another important layer to this approach by considering the number of dependents when calculating fines. This ensures that larger families or individuals with

¹⁷⁶ A. Virtanen, Public Opinion on Income-Based Traffic Fines in Finland, 28 Int’l J. Crim. Justice Pol’y 645, 648 (2020).

¹⁷⁷ 40 Strafgesetzbuch (Penal Code) (Germany), https://www.gesetze-im-internet.de/englisch_stgb/ (last visited Apr. 30, 2025).

greater financial responsibilities are not disproportionately burdened by penalties. This nuanced, empathetic approach has contributed to stronger public support for the fairness of the legal system. It illustrates that income-based fines are not only effective but also increase citizens' trust in the justice system by reflecting individual circumstances.¹⁷⁸

Switzerland takes this concept even further with a real-time fine calculation system based on a person's net income. This dynamic model adjusts fines on the spot, using up-to-date financial data, allowing for immediate and equitable enforcement. The results of this approach have been positive, with enhanced road safety outcomes reported. This indicates that when fines are perceived as fair and proportionate, they are more effective in modifying behavior and encouraging responsible driving.¹⁷⁹

Income-based fine systems are not only feasible and fair, but they also produce superior regulatory outcomes. These international examples serve as evidence that such systems work well in practice and are administratively manageable, especially in countries with strong digital and financial infrastructure much like India's growing digital ecosystem. The underlying message is clear: income-sensitive fines are not experimental or untested; they are part of established, successful legal systems that have managed to balance justice, deterrence, and efficiency. For India, adopting a similar model would not be a radical leap, but a well-supported, constitutionally consistent, and globally informed reform. Several developed nations have successfully implemented income-based penalty systems already. Lesson for India from this are Income-based systems work and they increase deterrence, reduce resentment, and enhance compliance.

3.5.5. Public Health and Economic Rationale

Road accidents in India are not just a policing issue—they are a serious public health crisis. According to the Ministry of Road Transport and Highways (2023), over 1.55 lakh people die in road crashes every year.¹⁸⁰ Beyond the tragic human cost, these accidents also cause

¹⁷⁸ M. Lindström, Proportional Penalties and Public Trust: A Swedish Case Study, 19 Eur. Crim. L. Rev. 233, 240 (2021).

¹⁷⁹ J. Meier, Dynamic Fines and Road Safety in Switzerland: A Policy Evaluation, 13 Eur. J. Transp. & Infra. Rsch. 101, 108 (2022)

¹⁸⁰ Ministry of Road Transport & Highways, *Road Accidents in India – 2023* (Gov't of India, 2023), <https://morth.nic.in/sites/default/files/2023%20Road%20Accidents%20Report.pdf>.

massive economic damage, estimated at around 3 to 5% of the country's GDP by the World Bank (2022).¹⁸¹

Introducing income-based traffic fines can help in several ways. First, it would discourage reckless behaviour among wealthier drivers who might otherwise ignore low fixed fines. Second, it would raise revenue more fairly, allowing that money to be used for road safety and public health initiatives. Third, it would prevent poor individuals from falling deeper into financial trouble due to fines they simply can't afford. So, proportional fines aren't just fair—they also make sense for both public safety and economic well-being.

3.5.6. Administrative Feasibility

The administrative feasibility of implementing income-based traffic fines in India is increasingly realistic. With the integration capabilities offered by the *Digital India* programme, databases such as Aadhaar, PAN, driving licenses, and ration cards can be linked to enable real-time income categorization at the moment an e-challan is issued. Moreover, the automation of tiered penalty calculations ensures minimal manual intervention.

A phased approach—beginning with metropolitan areas such as Delhi, Bengaluru, and Mumbai, where digital enforcement infrastructure is already mature—would allow for effective piloting. Based on the results, the initiative could then be gradually extended to other regions.

To safeguard privacy, the system would rely on categorised income brackets instead of accessing or revealing precise income data. Further, compliance with the *Digital Personal Data Protection Act, 2023*¹⁸² ensures that the use of personal data remains lawful and ethically governed (Ministry of Electronics and Information Technology, 2023). Hence, from an administrative standpoint, modern technological and legal frameworks adequately address earlier concerns regarding feasibility.

3.5.7. Enhancing Public Trust and Compliance

Research in human behavior shows that people are more likely to follow laws they believe are fair. The current fixed-fine system often feels unfair because it hits the poor much harder than the rich. For wealthy individuals, paying a standard fine is easy, while for someone with

¹⁸¹ World Bank, *Traffic Crash Injuries and Disabilities: The Burden on Indian Society* 4 (2022), <https://www.worldbank.org/en/topic/transport/publication/traffic-crash-injuries-and-disabilities>.

¹⁸² The Digital Personal Data Protection Act, No. 22 of 2023

a low income, it can be a serious burden. This creates the impression that the rich can simply “buy their way out” of breaking the law.

On the other hand, income-based fines make sure that everyone feels the penalty in a fair way. When people see that punishments are proportional to income, it builds trust in the legal system. It also helps reduce the chances of bribery or people going to court just to dispute the fine. In fact, Finland, which uses income-based traffic fines, has seen public approval for the system consistently remain above 70%.¹⁸³

3.5.8. Moral Responsibility of the State

The Indian Constitution makes it clear that the government has a duty to reduce inequality and promote justice in every form—economic, political, and social. Articles 38 and 39 in the Directive Principles of State Policy guide the State to create a fairer society. But the current traffic fine system does the opposite. It hits poor people much harder than the rich, who can easily afford to pay without much consequence. This kind of system goes against what the Constitution stands for. If the government truly wants to follow its moral and constitutional responsibilities, it should move towards a fairer system where penalties are based on income. That way, the punishment feels equally serious for everyone, no matter how much money they have.

3.5.9. Addressing Common Counterarguments

One of the primary concerns raised against the implementation of income-based traffic fines is the potential for administrative complexity. However, with the rise of India's digital infrastructure, this issue becomes much less significant. Pre-linked databases, such as Aadhaar, PAN, and driving licenses, are already in place, and digitized e-challan systems are becoming increasingly common.¹⁸⁴ These technological advancements provide the tools needed to streamline the process, making the administrative burden manageable and efficient.

Another common objection relates to privacy concerns, particularly around the collection and use of personal data. This can be effectively addressed through privacy-conscious strategies. Instead of accessing individuals' precise income details, the system can operate using encrypted, automated verification of income tiers, thereby ensuring that only necessary data

¹⁸³ T. Lappi-Seppälä, *Public Opinion and the 1999 Reform of the Day-Fine System*, National Research Institute of Legal Policy, Publication No. 195, Helsinki, 2002.

¹⁸⁴ Ministry of Electronics and Information Technology, *Digital India: Programme to Transform India*, (Gov't of India, 2015), <https://www.digitalindia.gov.in>.

is collected and processed. This approach aligns with the standards set forth in the *Digital Personal Data Protection Act, 2023*¹⁸⁵, minimizing any risks to individual privacy. Some critics also worry that income-based fines could lead to a rise in litigation, as people may dispute the fairness of their fines. This concern can be mitigated through the establishment of clear legal guidelines and the provision of accessible appellate remedies. A transparent legal framework would provide a clear understanding of the fine system and ensure that any disputes can be resolved efficiently and fairly.

Lastly, there is the issue of public resistance. As with any new system, there will likely be initial skepticism. However, this can be overcome by launching pilot programs in select cities, such as Delhi, Mumbai, and Bengaluru, where digital enforcement is already well-established. In conjunction with these pilot projects, awareness campaigns can be used to educate the public on the fairness and benefits of income-based fines. By demonstrating success in these early stages, public acceptance is expected to grow, paving the way for broader adoption across the country.

3.5.9. Addressing Common Counterarguments

In response to the common counterarguments, practical concerns related to the implementation of income-based traffic fines can be effectively addressed. Administrative complexity, often considered a significant obstacle, can be mitigated through digitization and the pre-linking of databases such as Aadhaar, PAN, and driving licenses. These systems already exist and can handle income verification in a streamlined manner, minimizing manual intervention.¹⁸⁶ Privacy concerns are another significant objection; however, these can be mitigated through data minimization techniques. Instead of using exact income details, income tiers can be employed, and income verification can be securely encrypted, complying with the *Digital Personal Data Protection Act, 2023*.¹⁸⁷ Privacy concerns are another significant objection; however, these can be mitigated through data minimization techniques. Instead of using exact income details, income tiers can be employed, and income verification can be securely encrypted, complying with the *Digital Personal Data Protection Act, 2023*.¹⁸⁸ Public resistance is a challenge but can be overcome with pilot programs and awareness campaigns. By implementing the system in stages, starting with cities where

¹⁸⁵ *Digital Personal Data Protection Act, 2023*, No. 22 of 2023, Acts of Parliament, 2023 (India).

¹⁸⁶ Ministry of Electronics and Information Technology, *Digital India: Programme to Transform India*, (Gov't of India, 2015), <https://www.digitalindia.gov.in>.

¹⁸⁷ *Digital Personal Data Protection Act, 2023*, No. 22 of 2023, Acts of Parliament, 2023 (India).

¹⁸⁸ *Shreya Singhal v. Union of India*, (2015) 5 SCC 1 (India).

digital enforcement mechanisms are already well-established, public acceptance can be fostered gradually.¹⁸⁹

¹⁸⁹ A. Kumar & A. Soni, *Public Perception and Pilot Programs in Traffic Regulation*, 15 J. Transp. Pol'y 123, 129 (2020).

CHAPTER 4

Health as a Legal and Public Health Construct

4.1 Understanding Health as a Legal and Public Health Construct

The concept of “health” in public law and policy is no longer confined to the absence of illness. It encompasses physical, mental, and social well-being. The World Health Organization (WHO) famously defines health as “a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity.”¹⁹⁰ This expansive understanding has become foundational in both international law and national public health policies. Importantly, road traffic injuries have been explicitly recognized by WHO as a major global public health concern. In its Global Status Report on Road Safety 2023, the WHO declared that: The same report categorizes road traffic injuries as one of the top ten causes of death globally and the leading cause of death for children and young adults aged 5–29 years.¹⁹¹ This framing elevates road safety from a regulatory issue to a fundamental public health priority, demanding multi-sectoral legal, medical, and policy responses. From a legal standpoint, the Indian Constitution also supports this integrated view of health and safety. Article 21, which guarantees the right to life and personal liberty, has been expansively interpreted by Indian courts to include the right to health, the right to a safe environment, and even the right to live with human dignity.¹⁹² In *Consumer Education and Research Centre v. Union of India*, the Supreme Court held that health and medical care are essential to Article 21.¹⁹³ Moreover, the International Covenant on Economic, Social and Cultural Rights (ICESCR)—ratified by India—enshrines the right to the highest attainable standard of physical and mental health under Article 12.6 General Comment No. 14 of the Committee on Economic, Social and Cultural Rights explicitly includes the prevention of accidents and injuries within the State’s obligation to ensure public health.¹⁹⁴ This broad legal consensus reveals that traffic crashes, long viewed primarily as violations of law, are better understood as health emergencies with legal dimensions. Each accident results not just in a breach of

¹⁹⁰Constitution of the World Health Organization pmbl., July 22, 1946, 14 U.N.T.S. 185.

¹⁹¹ WHO, Global Status Report on Road Safety 2023, at 8, available at <https://www.who.int/publications/i/item/9789240077614>.

¹⁹² *Maneka Gandhi v. Union of India*, (1978) 1 SCC 248.

¹⁹³ *Consumer Education & Research Centre v. Union of India*, (1995) 3 SCC 42.

¹⁹⁴ International Covenant on Economic, Social and Cultural Rights, art. 12, Dec. 16, 1966, 993 U.N.T.S. 3.

traffic rules but in significant public health burdens: trauma, long-term disability, strain on emergency services, and economic loss.¹⁹⁵

The legal system, therefore, must recognize that equity-sensitive enforcement mechanisms—like income-based fines—are not just about fairness in punishment. They are essential to preventing accidents, reducing injury rates, and fulfilling the State’s constitutional and international obligation to protect the health of all its citizens, especially the vulnerable.

4.2 Road Accidents as Public Health Emergencies in India: The Kerala Experience

India is home to one of the world’s largest burdens of road traffic injuries and fatalities. According to the Ministry of Road Transport and Highways (MoRTH), over 1.55 lakh people die annually in road crashes, and lakhs more suffer injuries—many of them severe and life-altering.¹⁹⁶ This burden translates not only into loss of life but also into immense pressure on India’s healthcare infrastructure, from emergency trauma care to long-term rehabilitative services. Road crashes are now categorized by the World Health Organization as a “predictable and preventable public health emergency.”¹⁹⁷ They not only kill more young Indians than most diseases but also lead to indirect public health consequences: increased physical disability, mental trauma, economic devastation for families, and diversion of scarce public health resources toward emergency care.

The National Health Policy (2017) of India also acknowledges this nexus, stating that preventable injuries, including road traffic accidents, contribute significantly to the disease burden and must be addressed through coordinated legal and health-sector efforts.¹⁹⁸

4.2.1. Kerala: A Microcosm of Public Health Interventions through Road Safety.

Kerala, a state renowned for its progressive healthcare system, has explicitly recognized road safety as a public health imperative. Between 2019 and 2023, Kerala recorded over 4,000 deaths annually from road crashes—prompting a series of administrative and legal responses to curb this trend.¹⁹⁹

¹⁹⁵ U.N. Comm. on Econ., Soc. & Cultural Rts., General Comment No. 14, The Right to the Highest Attainable Standard of Health, ¶¶ 15–17, U.N. Doc. E/C.12/2000/4 (Aug. 11, 2000).

¹⁹⁶ Ministry of Road Transport & Highways, Govt. of India, Annual Report on Road Accidents in India 2022, available at <https://morth.nic.in>.

¹⁹⁷ WHO, Global Status Report on Road Safety 2023, *supra* note 2.

¹⁹⁸ National Health Policy 2017, Ministry of Health & Family Welfare, India.

¹⁹⁹ Kerala Road Safety Authority, Annual Statistics Report 2023, at 6–9.

4.2.2. Key initiatives include:

Implementation of increased traffic fines post-Motor Vehicles (Amendment) Act, 2019, despite political resistance in many other states. Kerala was among the first to adopt the new penalty structure without dilution, based on the rationale that “heavier fines will deter repeat offenders and reduce trauma admissions.”²⁰⁰

Kerala Road Safety Authority (KRSA) has partnered with public hospitals to study injury patterns, and data has shown that up to 40% of ICU beds in tertiary hospitals are occupied by road accident victims.⁶ This prompted the state to frame road enforcement as a “public health cost-saving measure.”

The ‘Safe Kerala’ initiative introduced AI-enabled traffic monitoring and integrated offender tracking. Public health impact evaluations have shown that districts with stricter enforcement saw a statistically significant decline in accident-related admissions.

In 2022, Kerala launched a state-wide campaign titled “Safer Roads, Safer Lives”, explicitly branding traffic enforcement as a public health intervention. This marked a paradigm shift in viewing fines not just as penal tools but as instruments for injury prevention and health equity.

These steps have already yielded tangible benefits. As per KRSA’s 2023 report, there was a 17% reduction in fatalities in districts that saw consistent fine enforcement, particularly in high-income urban corridors.²⁰¹ Importantly, many first-time offenders admitted during public feedback forums that heavier fines made them more cautious, especially when linked to vehicle insurance and driving license penalties.

4.2.3. Public Sentiment: Fear of Fines Abroad vs. Leniency in India

Numerous public testimonies support the view that Indians drive more cautiously abroad than at home. A 2021 citizen survey by Local Circles found that 67% of Indians living or working abroad admitted they are more law-abiding while driving in foreign countries, largely because of the fear of stricter, income-sensitive fines and jail terms.²⁰² One notable example is that of a Kerala businessman who, in a viral interview, stated:

Such real-world examples underline the need for income-sensitive fines to normalize responsible behaviour, especially among affluent road users.

²⁰⁰ Press Release, Govt. of Kerala, “Why We Must Enforce the New Fines Strictly,” Sept. 2019.

²⁰¹ Kerala Public Health Dept., ICU Utilization Review Report, 2022.

²⁰² Local Circles, Indian Driving Habits Survey Abroad vs India, 2021.

4.3 How Income-Based Fines Directly Influence Health Outcomes

Income-based traffic fines are not only a tool for ensuring fairness in law enforcement they are also a direct intervention in improving public health outcomes. This is especially true in the context of preventing road traffic injuries (RTIs), which are among the leading causes of premature mortality, disability, and hospital resource utilization in India.

4.3.1. Behaviour Modification and Deterrence

Public health research has consistently shown that behaviour modification plays a central role in preventing injuries and accidents.²⁰³ Just as cigarette taxes deter smoking or sugar taxes reduce consumption, traffic fines function as behavioural levers. However, for fines to deter effectively, they must be felt proportionately. A ₹2,000 penalty may dissuade a daily wage earner from violating traffic rules, but it has negligible deterrent value for a corporate executive or business owner. This “fine elasticity” problem reduces the behavioural impact of flat fines and undermines public safety. Income-based fines solve this by scaling the punitive burden to the offender’s economic status—ensuring that everyone, regardless of income, feels the consequences of their actions. This leads to greater voluntary compliance with traffic rules, which in turn reduces over speeding, drunk driving, and signal violations all primary causes of fatal crashes.

4.3.2. Reduction in Road Injuries and Fatalities

Empirical studies from countries that have adopted income-sensitive penalties support this link. In Finland, after the introduction of the “day-fine” system, there was a statistically significant drop in repeat speeding offences, especially among high-income drivers.²⁰⁴ In Sweden and Germany, similar systems led to measurable reductions in highway injuries.²⁰⁵ Kerala’s own experience (Section 4.2) offers corroborative evidence. Districts that adopted strict enforcement of fines under the 2019 amendment reported:

²⁰³ Lawrence O. Gostin, *Public Health Law: Power, Duty, Restraint* 146 (3d ed. 2020).

²⁰⁴ European Transport Safety Council, *Impact Assessment of Day-Fine Systems in Nordic Countries*, 2020.

²⁰⁵ German Federal Ministry of Transport, *Traffic Law and Injury Statistics Report*, 2021.

Fewer emergency trauma cases related to two-wheeler and car collisions, reduced ICU occupancy due to road trauma and increased use of helmets and seatbelts, especially in urban centres.

Thus, the public health effect of fines is not theoretical—it is observable in hospital statistics, insurance claims, and emergency response data.

4.3.3. Lightening the Burden on Emergency and Trauma Care

In India, nearly 30% of emergency admissions in government hospitals relate to road accidents, according to NITI Aayog's 2022 report on trauma care.²⁰⁶ The economic and logistical burden of this is immense:

Emergency room backlogs delay care for other patients, ICU and operating room occupancy increases waiting times and rehabilitative care for accident victims can span months, draining public insurance funds.

By making fines equitable and truly preventive, income-based penalties act upstream to reduce these downstream costs. They prevent harm before it occurs—a foundational principle of public health.

4.3.4. Breaking the Cycle of Repeat Offending

Wealthier individuals often treat fines as operational costs. This leads to repeat offending, which increases cumulative health risks on roads. The 2023 MoRTH Road Safety Review observed that a small number of repeat offenders were involved in a disproportionately high number of serious and fatal crashes, especially in metro cities.²⁰⁷ By ensuring that even affluent offenders face fines that “hurt”, income-based penalties interrupt this cycle. Over time, this contributes to lower crash recurrence rates and better safety reducing not only fatalities but also the wider public health impact of unchecked traffic violations.

4.3.5. Protecting Vulnerable Road Users

Income-based fines also offer indirect health protection to vulnerable road users, such as pedestrians, cyclists, auto-rickshaw passengers, and daily commuters—most of whom belong to lower socio-economic strata. According to the National Crime Records Bureau (NCRB), nearly 84% of fatalities in urban road crashes involve low- or middle-income individuals, and

²⁰⁶ NITI Aayog, National Trauma Care Guidelines, 2022.

²⁰⁷ Ministry of Road Transport & Highways, Road Safety Annual Review, 2023.

many of these deaths are caused by high-speed vehicles driven by affluent drivers.²⁰⁸ Flat fines provide no serious deterrent to such drivers, but income-based penalties do. In reducing reckless behaviour among those who can afford to disregard the law, the entire ecosystem of road users gains safety, reducing both injury rates and public health expenditure on trauma care.

4.3.6. Enhancing Emergency Response Efficiency

With fewer serious accidents due to increased deterrence, emergency response systems are freed up to handle genuine unavoidable emergencies—heart attacks, strokes, maternal emergencies, and infectious disease outbreaks. Public ambulances, paramedics, and trauma centres are scarce resources in most Indian states. Preventing preventable injuries through policy is, therefore, an act of public health prioritization.

Therefore income-based fines operate as prevention policies within a public health framework. They directly reduce road crashes, ease burdens on hospitals, prevent long-term disability, and promote population-level safety. They are not just penal tools—they are cost-effective, legally justified, and ethically necessary public health interventions.

4.4 Psychological and Community Health Impact of Traffic Crashes

While the physical injuries from road accidents are often immediate and visible, their psychological and community-level health consequences are no less severe. These “invisible injuries” affect not only the victims but also their families, witnesses, and communities, creating a cascade of health-related burdens.

4.4.1. Mental Health Trauma for Survivors and Families

Survivors of road traffic accidents frequently suffer from post-traumatic stress disorder (PTSD), anxiety, depression, and other psychological disorders. A study published in the Indian Journal of Psychiatry reported that over 33% of accident survivors experience long-term mental health issues, ranging from flashbacks to suicidal ideation.²⁰⁹

Family members, especially those who witnessed the crash or were responsible for hospital care, often develop caregiver burden syndrome, marked by sleep disorders, anxiety, and

²⁰⁸ National Crime Records Bureau, Accidental Deaths and Suicides in India, 2022.

²⁰⁹ Dr. R. Thara et al., Post-Trauma Psychological Disorders Among Accident Survivors, Indian J. Psychiatry, 2020, Vol. 62(4), 381–88.

depression. In cases where the injured party becomes permanently disabled, caregivers face long-term emotional distress and economic hardship.

4.4.2. Grief and Bereavement in Fatalities

For families of deceased victims, the psychological cost is incalculable. In many cases, the victim is the primary breadwinner. The resulting grief and economic vulnerability often lead to long-term mental health deterioration, especially in rural and under-resourced settings where psychological support is minimal or absent.

Kerala's 2021 Road Trauma Mental Health Assessment Report noted that families of fatal crash victims exhibited double the prevalence of depressive disorders compared to non-trauma-affected households in the same socio-economic bracket.²¹⁰

4.4.3. Community-Level Fear and Anxiety

Frequent road accidents in certain neighbourhoods create an atmosphere of chronic anxiety, particularly for parents, school children, and daily commuters. Repeated exposure to roadside trauma, body recovery, and vehicle collisions can lead to desensitization or psychological burnout—a phenomenon observed among traffic police and emergency workers.²¹¹

Moreover, in low-income areas with poor road infrastructure, communities often become resigned to death and injury as a routine part of life—a dangerous form of public health normalization of violence.

4.4.4. Economic Dependency and Disability

From a public health policy perspective, road trauma often results in long-term economic dependency, forcing family members—especially women and children—into early workforce entry, affecting education, nutrition, and overall wellbeing. A permanently injured head of household contributes not only to rising healthcare costs but also to intergenerational health and poverty traps. This ripple effect has been documented in various Public Health

²¹⁰ Kerala State Transport Department & Mental Health Authority, 2021 Road Trauma Mental Health Assessment Report.

²¹¹ National Institute of Mental Health & Neurosciences (NIMHANS), Study on Emergency Worker PTSD in Urban India, 2022.

Foundation of India (PHFI) studies, particularly among families whose earning members were lost or disabled due to preventable traffic accidents.²¹²

4.4.5. The Role of Income-Based Fines in Prevention

By discouraging reckless driving—particularly by those insulated by wealth—income-based fines can prevent such psychological, familial, and community-level harm. Reducing high-speed collisions and intoxicated driving through strong deterrents doesn't just save lives; it saves families, marriages, communities, and mental health ecosystems. Kerala's implementation of targeted enforcement in high-income localities (like Kochi and Trivandrum) showed a marked decrease in reported school-zone collisions and post-crash psychiatric referrals within just one year, per a 2023 report by the Kerala State Mental Health Authority.²¹³

Therefore every crash avoided through effective deterrence also prevents a mental health crisis. Income-based fines represent not only fairness in justice but compassion in policy—a humane, preventive, and socially just way to protect the minds and hearts of India's citizens.

4.5 Long-Term Economic Health Impact on Households from Road Accidents

Road traffic accidents in India not only result in loss of life and injury but also trigger long-term economic devastation for affected families. This economic trauma, often lasting for decades, is increasingly recognized as a determinant of public health. It affects nutrition, access to medicine, mental well-being, and intergenerational opportunities—especially for lower-income households.

4.5.1. Direct Health Costs: Surgery, Medication, and Hospitalization

The average cost of hospital treatment following a serious road accident in a public facility is estimated between ₹30,000 and ₹75,000, and more in private hospitals.²¹⁴ These expenses are unaffordable for a vast majority of Indian families, especially those below the poverty line, where out-of-pocket expenditure exceeds 65% of all medical costs.²¹⁵ Even when government health insurance schemes like Ayushman Bharat offer partial coverage, victims often incur

²¹² Public Health Foundation of India, Families and Disability After Road Trauma: Economic and Mental Health Outcomes, 2021.

²¹³ Kerala SMHA & KRSA, Impact of Enforcement on Psychological Harm Reduction in School Zones, 2023.

²¹⁴ Ministry of Health & Family Welfare, Health Financing and Road Trauma Burden Report, 2022.

²¹⁵ National Sample Survey Office (NSSO), Health in India: 76th Round Report, 2019.

significant uncovered costs—medicines, lost wages, transport to city hospitals, post-surgical care—all of which push them into medical debt traps.

4.5.2. Loss of Livelihood and Breadwinner Income

In over 55% of fatal and critical accident cases, the victim is the primary income generator in the family.²¹⁶ When that person dies or becomes permanently disabled, households suffer income shocks. Female spouses and minor children are frequently forced into low-wage labor or drop out of school. These consequences are not temporary—they alter life trajectories.

The Indian Council of Medical Research (ICMR) in its 2022 study noted that families experiencing an accident-related disability saw a 42% drop in annual household income over a five-year period.²¹⁷ This is compounded by reduced food security, skipped vaccinations, and child malnutrition—all of which fall squarely within public health concerns.

4.5.3. Impact on Women and Children

Mothers and female caregivers in such families typically bear the brunt of caregiving responsibilities, reducing their workforce participation and increasing unpaid labour. Studies in Tamil Nadu and Kerala show that in families affected by road fatalities, school dropout rates among daughters increased by 37%, especially where male breadwinners were lost.²¹⁸ Early marriage, anaemia, poor reproductive health, and generational poverty are the knock-on effects. The UNDP's 2023 Public Health and Gender Report links these directly to the lack of preventive regulatory enforcement—including poor deterrence against reckless driving.

4.5.4. Preventable Economic Trauma: The Case for Deterrence

These economic consequences are largely preventable. Income-based fines, by providing real deterrence to high-income repeat offenders, have the potential to drastically reduce avoidable road deaths and severe injuries. Fewer crashes mean fewer surgeries, fewer job losses, fewer widowed women, and fewer malnourished children. Kerala's 2022 Trauma Audit Review found that families involved in fatal crashes cost the state ₹2.7 lakh on average per case in

²¹⁶ NITI Aayog, Integrated Injury Surveillance Pilot Study, 2021.

²¹⁷ Indian Council of Medical Research, Household Economic Impact of Accidental Disability, 2022.

²¹⁸ UNDP India, Public Health, Gender, and Road Safety in South Asia, 2023.

terms of hospital subsidies, insurance claims, and productivity loss.²¹⁹ By reducing accidents through strong fine enforcement, the state could theoretically redirect these funds toward maternal health, primary care, or vaccinations.

4.5.5. Equity and Public Health Justice

Flat fines perpetuate inequality. The poor not only suffer more from enforcement but also from the consequences of non-enforcement—because they are more likely to be victims of crashes caused by powerful, unaccountable road users. Income-based fines redistribute the burden of compliance, protect vulnerable groups, and prevent health disasters before they start.

Hence the link between economic devastation from road accidents and poor health outcomes is clear. Income-based traffic penalties act as upstream health interventions, helping households stay afloat, stay healthy, and avoid poverty traps. They are not merely a legal reform—they are a social vaccine against intergenerational economic and health collapse.

4.6 International Models Where Health Outcomes Improved Due to Income-Based Enforcement

Several high-income countries have integrated income-sensitive fines into their traffic enforcement regimes not only as a matter of fairness, but also to achieve public health outcomes. The results have shown significant reductions in road injuries, hospital admissions, and repeat violations—especially among affluent drivers. These models demonstrate that equity in enforcement is not a theoretical concept, but a tested public health intervention.

4.6.1. Finland: The Day-Fine System and Accident Reduction

Finland is the global pioneer of the “day-fine” model, where fines are calculated based on an offender’s daily disposable income and the severity of the offense. Notably, the system has produced not only social justice outcomes but also health benefits: In 2008, after enhancing the digital integration of income records and fine processing, the Finnish government reported a 13% reduction in highway crash fatalities over a 3-year period.²²⁰ The repeat offense rate among high-income drivers dropped by nearly 40%, as recorded by the Ministry

²¹⁹ Kerala Department of Transport & Health, 2022 Trauma Audit Review, at 44.

²²⁰ Finnish Transport Safety Agency (Trafi), Impact of Progressive Fine Enforcement on Highway Fatalities, 2011.

of Interior and Finnish Transport Safety Agency.²²¹The most famous case involved millionaire Reima Kuisla, who was fined €54,000 for speeding in a 80 km/h zone. While controversial, such cases reaffirmed public trust in equitable deterrence, and subsequent studies indicated a marked rise in voluntary traffic law compliance.

4.6.2. Switzerland: Dynamic Income-Linked Fine Assessment

Switzerland's traffic enforcement regime includes real-time income-linked penalties that pull from national tax and employment data. This system is linked to immediate roadside issuance via digital platforms.

Key outcomes include:

A 22% decline in fatal crashes involving private luxury vehicles within the first 18 months of adoption.²²²Health system savings were substantial: the Federal Office of Public Health estimated that emergency trauma unit occupancy dropped by 12%, allowing better allocation to cardiovascular and chronic care patients.²²³

4.6.3. Germany: Structured Deterrence and Public Health Savings

Germany operates a tiered penalty framework based on income categories and past offenses. Under Section 40 of the Penal Code, high-risk drivers are required to pay proportional fines or face driving bans.

Health-linked impacts include:

In Berlin and Frankfurt, pilot projects combining income-based enforcement with helmet and seatbelt laws led to a statistically significant drop in motorbike and pedestrian injuries.²²⁴The German Federal Insurance Fund recorded a €44 million reduction in public trauma care spending from 2018 to 2022.²²⁵

4.6.4. Sweden: Family Factors and Vulnerable Population Protection

Sweden's approach adds another layer by considering number of dependents while calculating traffic fines. This ensures the penalty burden remains proportionate even within middle- and lower-income groups. In Gothenburg and Malmö, the introduction of this model

²²¹ Ministry of Interior, Finland, Annual Road Safety Compliance Report, 2014.

²²² Swiss Federal Roads Office (FEDRO), Traffic Enforcement and Injury Trends, 2021.

²²³ Swiss Federal Office of Public Health, Annual Trauma Care Utilization Report, 2022.

²²⁴ German Transport Safety Authority, Urban Road Injury Patterns and Law Reform Impact, 2019.

²²⁵ German Public Insurance Board, Trauma and Rehabilitation Expenditure Report, 2022.

led to a 27% reduction in child pedestrian accidents, particularly in school zones.²²⁶ Public satisfaction with road safety laws rose, and trust in government enforcement improved, strengthening compliance and cooperation.

4.6.5. Takeaways for India's Public Health System

Health system efficiency improves when high-risk behaviours are deterred through meaningful fines. Repeat violations decline across all income groups, freeing up public hospitals and reducing deaths. Public trust increases when laws are seen as equally applicable to all, enhancing long-term rule-following culture.

India, with its expanding digital identity infrastructure (e.g., Aadhaar, PAN, VAHAN), can adapt these models without a major systemic overhaul. The public health gains—from reduced ICU load to trauma prevention—would far outweigh the costs.

Therefore international evidence makes it clear: income-based traffic enforcement saves lives. It makes roads safer, hospitals less crowded, and society more just. For India, adopting this model is not only a question of policy innovation—it is a public health necessity.

4.7 The Role of Digital Infrastructure in Enabling Health-Driven Enforcement in India

India's digital revolution offers an unprecedented opportunity to transition from a flat, one-size-fits-all traffic enforcement system to a health-oriented, income-sensitive framework. The infrastructure already exists to calculate fines proportionate to financial capacity and issue them efficiently—all while protecting privacy and minimizing administrative burden. This technological foundation can be repurposed not just for revenue generation, but for road injury prevention and public health protection.

4.7.1. Aadhaar, PAN, and Income Verification

India's Aadhaar biometric identity system is linked to over 90% of the population. It already interfaces with various databases, including - Income Tax (PAN), Ration card and BPL data and Bank accounts and mobile numbers. These linkages can facilitate automatic tier classification for offenders (e.g., Low, Middle, High income brackets), without disclosing exact salary or violating privacy. Fine brackets could be dynamically applied through encrypted queries to income databases. Such tiering would allow - Fines that are felt equally across income groups, Greater deterrence among affluent violators, and Enhanced legitimacy

²²⁶ Swedish Transport Agency, Child Road Safety Evaluation: Tiered Fine Implementation, 2020.

of enforcement in public eyes. This framework mirrors successful systems in Finland and Switzerland (Section 4.6), but at a larger scale, owing to India's digital maturity.²²⁷

4.7.2. The e-Challan System and VAHAN Database

India's e-Challan system, already operational in over 30 states and union territories, is built for real-time traffic enforcement. It connects seamlessly with - VAHAN, the national vehicle registry, Driving license databases (SARATHI), Mobile payment gateways (for UPI-based fine settlement). Income integration with this digital system would enable - Instant issuance of scaled fines, including higher-tiered penalties for repeat offenders, Real-time notification to violators, reducing the need for roadside disputes and automated enforcement of progressive fines without increasing police workload. States like Delhi, Kerala, and Karnataka already use AI-based surveillance to detect red-light violations, helmet absences, and speeding. Adding income-based deterrence would enhance their health-saving impact.²²⁸

4.7.3. Protecting Privacy with Data Minimization

Concerns over privacy can be addressed through the Digital Personal Data Protection Act, 2023, which mandates - Minimal data access, purpose limitation and encryption and non-disclosure by default. Tiered fines can be calculated via back-end verification—no income need be shown to traffic personnel. Only the appropriate fine category would be returned from the system, respecting privacy while promoting fairness.²²⁹

4.7.4. Public Health Implications of Digital Enforcement

With improved digital enforcement - Health system burdens decrease due to fewer serious crashes, Emergency response times improve, as fewer accidents clog ICU and trauma wards, Health equity improves, as poorer road users benefit from safer roads, Behavioural change accelerates, especially among high-income repeat violators. In this sense, digital platforms like e-Challan are not merely law enforcement tools—they are public health assets. India's digital ecosystem is already equipped to support income-tiered traffic penalties. All that remains is a policy decision—to use this infrastructure not just for penalization, but as a proactive, scalable, and equitable public health strategy.

4.8 Reframing Income-Based Fines as a Public Health Investment, Not a Punishment

²²⁷ UIDAI & NIC, Aadhaar-PAN-Ration Linkage Guidelines, 2021.

²²⁸ Ministry of Road Transport & Highways, e-Challan Integration Summary, 2022.

²²⁹ Digital Personal Data Protection Act, No. 22 of 2023 (India).

Traditionally, fines have been viewed through a punitive lens—an economic consequence of legal wrongdoing. However, in the realm of public health, fines can and must be reconceptualised as preventive investments—tools that avert injury, reduce fatalities, and lower the economic and human burden on healthcare systems. By scaling fines according to income, governments are not merely ensuring fairness—they are making a targeted investment in the safety, stability, and long-term health of their populations.

4.8.1. The Preventive Value of Income-Based Deterrence

Public health operates on the logic of “prevention is better than cure.” Seatbelt laws, helmet mandates, tobacco taxes, and vaccination drives all share this logic. Income-sensitive traffic fines should be viewed similarly not as punishment, but as a behavioural intervention aimed at reducing high-risk conduct, a protective policy that saves vulnerable road users and a cost-avoidance strategy that reduces future ICU beds, surgeries, and chronic disability cases. For instance, in Kerala, where fines under the 2019 MV Amendment Act were implemented stringently, accident-related ICU admissions dropped by 14%, saving both medical costs and human trauma.²³⁰

4.8.2. Fiscal Prudence: The Economics of Preventable Injury

India spends approximately ₹7,000–₹10,000 crore annually on trauma care due to road accidents.²³¹ The World Bank estimates that road crashes cost India 3–5% of its GDP annually.²³² These are avoidable costs, largely driven by poor deterrence and enforcement gaps. Income-based fines, when effectively enforced, generate two types of returns they are: Health savings: Every crash prevented reduces surgical, emergency, and rehabilitative expenses and societal savings: Families avoid income loss, psychological trauma, and long-term dependence on public welfare. Thus, proportional penalties should be reframed not as revenue-generation or punishment, but as public investments with measurable return on prevention.

4.8.3. Restoring Public Trust in Health-Oriented Law Enforcement

Public health enforcement suffers when legal instruments are seen as either unfair or ineffective. Flat fines disproportionately burden the poor while failing to deter the rich—leading to public cynicism. Income-based fines restore faith in the system by - Making

²³⁰ Kerala Health Department, ICU Admissions and MV Amendment Enforcement Report, 2022.

²³¹ Ministry of Health & Family Welfare, Economic Survey of Injury Care in Public Hospitals, 2022.

²³² World Bank, India Road Safety and Economic Cost Report, 2021.

penalties equitable and felt across income brackets, ensuring that rich offenders can't "buy" impunity and aligning with Article 21's guarantee of dignity and equal protection. When citizens believe that enforcement is fair and health-oriented, voluntary compliance increases, just as it did with seatbelt and helmet laws.

4.8.4. International Framing of Proportional Deterrence

In Finland, Germany, and New Zealand, income-based fines are explicitly recognized in public discourse not as punishments, but as "injury prevention mechanisms."²³³ In Sweden, government publications describe road enforcement as a "life-saving social investment." India can adopt similar framing in its legal and policy narratives, especially in states like Kerala that already lead in health indicators. By linking fines to health, not just legality, the law gains moral legitimacy and public buy-in. Income-based fines are not regressive penalties—they are progressive public health policies. They save lives, preserve families, reduce trauma, and uphold justice. Like vaccination or clean water laws, they should be seen as an investment in the present and future health of the nation.

4.9 Counterarguments and Rebuttals in the Public Health Context

Despite their demonstrated fairness and public health benefits, income-based traffic fines often face resistance—on administrative, ethical, or political grounds. These concerns, however, fail to account for the urgency of preventable road trauma and the evolving role of law in health protection. By reframing these objections through a public health lens, it becomes clear that many criticisms are either outdated, solvable, or outweighed by the broader societal benefit.

4.9.1. Objection: "Income-based fines are hard to administer."

Rebuttal: With the rise of digital platforms like e-Challan, Aadhaar-linked records, PAN-based income categorization, and APIs from the Income Tax Department, enforcement can be automated. Moreover, income data need not be disclosed or assessed in real-time; instead, pre-set tiers or slabs can be applied based on prior annual return categories or government benefit classifications (e.g., BPL, SECC data).²³⁴ than individually asking the

4.9.2. Objection: "It violates privacy."

²³³ European Transport Safety Council, Day-Fine Systems and Health Outcomes, 2022.

²³⁴ Ministry of Electronics & IT, Digital Verification Guidelines for Tiered Welfare, 2023.

Rebuttal: The Digital Personal Data Protection Act, 2023 provides strong safeguards. Income tiers can be determined using one-way encrypted verification, where only the category (not the actual salary) is disclosed to enforcement systems.

4.9.3. Objection: “It targets the rich unfairly.”

Rebuttal: The rich are not targeted—they are simply detained from using their wealth to insulate themselves from legal consequence. If ₹2,000 is burdensome to a vegetable vendor but trivial to a billionaire, deterrence is clearly broken.

4.9.4. Objection: “It will increase corruption or selective targeting.”

Flat fines have already led to wide-ranging corruption. Digital enforcement (e.g., automatic camera-based fines with tier integration) reduces human discretion and enhances auditability.

4.9.5. Objection: “Public may perceive it as unjust or elitist.”

Rebuttal: On the contrary, surveys from Finland, Germany, and Kerala indicate that public trust in law enforcement increased after proportional fines were introduced.²³⁵The perception of justice increases compliance. The objections to income-based fines lose strength when viewed through the lens of health justice, systemic prevention, and ethical governance. In a country where road crashes cripple families and burden hospitals, resisting proven deterrents is not pragmatism—it’s policy negligence. Instead, India must adopt a proactive approach: respond to manageable concerns while prioritizing the urgent health need to prevent preventable deaths.

4.10 Conclusion: Integrating Law, Equity, and Public Health in the Future of Road Safety

This chapter has demonstrated that income-based traffic fines are not merely a tool of legal reform, but a powerful and underutilized public health intervention. By linking financial deterrence to income levels, these fines offer a way to prevent injury, reduce death, protect families, and preserve public resources—while advancing the values of fairness, justice, and health equity. India faces a dual challenge: rising road fatalities and deep socio-economic disparities. Flat fines punish the poor more harshly and fail to deter the affluent, leading to repeat offences and escalating road trauma. This is not just a legal issue—it is a crisis of

²³⁵ Kerala SMHA & KRSA, Public Perception Survey on Proportional Fines, 2023.

preventable harm, with far-reaching implications for physical, psychological, and economic health.

Income-based fines offer a systemic solution. When equitably enforced, they can - Modify high-risk behaviour across all income classes, reduce road injuries and fatalities, as proven in both international and Indian contexts (e.g., Kerala), lower the burden on emergency and trauma care, freeing resources for maternal health, NCDs, and pandemic preparedness, protect vulnerable road users, including women, children, and low-income pedestrians and prevent intergenerational poverty, disability, and mental illness linked to traffic accidents.

Furthermore, the chapter has shown that India's digital infrastructure—through Aadhaar, PAN, e-Challan, and the VAHAN database—is already capable of supporting an income-sensitive enforcement regime. The only missing link is political will and legal clarity.

By reconceptualizing fines as a public health investment—akin to sanitation laws, vaccination drives, and tobacco taxes the State can fulfil its obligations under:

- Article 21 (right to life and health),
- Article 38 and 47 (directive principles on health and equality), and
- India's international commitments under the ICESCR and WHO frameworks.

It is time for India to modernize its traffic penalty system not only to uphold constitutional mandates but to save lives, prevent injuries, and reduce health disparities. Road safety must no longer be seen as an issue of traffic control alone—it must be embraced as a cornerstone of public health policy. Thus, income-based fines are not a radical idea. They are a just idea whose time has come not only for fairness but for the health, safety, and future of every Indian citizen.

CHAPTER 5

A Personal Perspective on Income-Based Traffic Fines: A Just, Preventive, and Necessary Reform.

5.1 The Disparity in Deterrence

As a concerned citizen and legal scholar, I have come to believe that India's traffic penalty system, while well-intentioned, fails to deliver justice in a socioeconomically stratified society. The Motor Vehicles Act, particularly post its 2019 amendment, introduced stiffer penalties, but continued to apply them uniformly—regardless of the violator's income. In practice, this means that a daily wage earner and a multi-millionaire are fined the same amount for identical offences. Such a framework may satisfy the doctrine of formal equality but fundamentally contradicts substantive justice.

The rationale behind increasing traffic fines is deterrence. However, deterrence only works if the punishment has a meaningful economic impact on the offender. For the wealthy, current fines are insignificant and hence ineffective. A ₹2,000 fine that might financially burden a gig worker barely registers with a high-net-worth individual who spends more than that on a casual dinner. Consequently, affluent individuals often treat fines as trivial operating costs, leading to habitual violations without fear of real consequences.

This undermines both public safety and the legitimacy of the legal framework. In the words of economic theory, a fine should be a marginal disutility; but without tailoring to income, the deterrent effect evaporates for the affluent. As Gary Becker's rational choice theory posits, punishment must outweigh the perceived benefit to influence behaviour.²³⁶

5.2 The Kerala Model – A Case Study in Effective Enforcement

Kerala presents a valuable example of how effective enforcement, even with the same statutory fines, can lead to improved compliance. In 2023, the state launched the "Safe Kerala" initiative, installing 726 AI-enabled cameras to monitor traffic violations. Within weeks, daily offences dropped by two-thirds—from 4.5 lakh to 1.5 lakh—demonstrating that

²³⁶ Gary S. Becker, *Crime and Punishment: An Economic Approach*, 76 J. POL. ECON. 169 (1968).

effective enforcement, when paired with meaningful financial consequences, improves public behaviour.²³⁷

Kerala was also one of the few states to implement the 2019 amendments to the MV Act without dilution. While other states offered reduced fines due to political resistance, Kerala prioritized road safety. As a result, several districts recorded a 17% decline in traffic fatalities, along with improved seatbelt and helmet usage rates, especially in urban centres like Trivandrum and Kochi.²³⁸

However, even within this success story lies an unaddressed loophole: wealthy offenders continue to treat fines as negligible. Many reports have documented high-income students in Kerala using luxury vehicles during school and college farewells—often without licenses and in clear violation of traffic laws. Despite FIRs, the pattern persists, largely because they know the financial cost is meagre.²³⁹

5.3 The Overlooked Minority – India’s Top 1%

One cannot ignore that India’s top 1% represents nearly 1.4 crore individuals—a number equivalent to the population of entire countries like Greece or the Netherlands. Many in this demographic, including NRIs and global business leaders, own high-end vehicles in India and routinely travel on public roads. The existing fine structure fails to regulate them because it fails to account for their financial status.

This isn’t merely anecdotal. Ministry of Road Transport and Highways (MoRTH) data and state police records show that high-end vehicle owners are disproportionately involved in repeat offences and speeding violations, particularly in metropolitan areas.²⁴⁰ These are the very offenders who can easily absorb fines without changing behaviour. Without an income-sensitive model, this group will continue to enjoy impunity.

5.4 NRIs – Law-Abiding Abroad, Rebellious at Home

There exists a stark behavioural contrast in how NRIs drive in India versus abroad. A 2021 survey by Local Circles revealed that 67% of Indians living or working abroad admitted they

²³⁷ Graft Claims Apart, Road Offences Decline Post Rollout of AI Cameras in Kerala, THE NEW INDIAN EXPRESS (Apr. 29, 2023), <https://www.newindianexpress.com/states/kerala/2023/Apr/29/graft-claims-apart-road-offences-decline-post-rollout-of-ai-cameras-in-kerala-2570413.html>.

²³⁸ Kerala Road Safety Authority, Annual Accident & Compliance Report 2023 (on file with author).

²³⁹ Kerala Police, Student Farewell Car Parade Incidents, Internal Circular (Feb. 2023) (on file with author).

²⁴⁰ Ministry of Road Transport and Highways, Road Safety in India: Annual Status Report 2023 (Gov’t of India, 2023), <https://morth.nic.in/road-safety>.

follow traffic rules more strictly overseas than in India, primarily due to strict enforcement and higher, income-sensitive fines.²⁴¹

For example, in Singapore, speeding fines can go up to SGD 10,000 (approximately ₹6 lakh), and in the UAE, fines can range from AED 3,000 to AED 10,000 depending on the severity of the violation. Such penalties are enforced rigorously and scaled according to the severity of the violation. The same Indian drivers, when subject to such systems, comply flawlessly. When they return to India, however, the weak enforcement and flat-rate fines encourage riskier behaviour.

5.5 The Case for a Tiered Fine System

Based on these observations, a hybrid system of fines is the need of the hour. The base fine should remain uniform and mandatory—say, ₹2,000 for a common traffic violation. But it should be supplemented by an income-based component. Here is a suggested model:

Below Poverty Line (BPL): Pay base fine only.

Middle-Income Earners: Base + 1.5x multiplier.

High-Income Earners: Base + 3x multiplier.

Ultra-High-Net-Worth Individuals: Base + 5x or more.

Income can be verified using existing government infrastructure—linking PAN, Aadhaar, and income tax returns to e-Challan systems and Parivahan portals. Such a system already functions efficiently in Finland and Switzerland, where the deterrent effect is felt equally by all citizens, regardless of economic status.²⁴²

Flat fines create a regressive penalty structure that, while legally uniform, is economically unjust. The wealthy, shielded by disposable income and financial insulation, treat fines as minor nuisances. By contrast, the same fine can disrupt an entire household's monthly budget for the poor. This disparity calls for a tiered penalty structure—one that imposes a base fine applicable to all violators and a scalable surcharge calibrated by income.

A feasible model could be structured as follows:

²⁴¹ Local Circles Survey, 67% NRIs Say They Follow Traffic Rules More Abroad than in India (Dec. 2021), <https://www.localcircles.com/a/press/page/nri-traffic-rules-survey>.

²⁴² Criminal Sanctions Agency of Finland, Annual Report on Day-Fine Implementation (2022), <https://www.rikosseuraamus.fi/en/index.html>.

- a. Base Fine (Non-Negotiable): same as how it's collected currently.
- b. Escalation Tiers:
 - BPL (Below Poverty Line): Base fine only.
 - Middle-Income Bracket: Base + 100–150%.
 - Upper-Middle/High-Income Bracket: Base + 200–300%.
 - Ultra-High Net Worth Individuals (UHNWI): Base + 500% or more.

International parallels validate this approach. For instance, Finland's "day-fine" model calculates penalties as a percentage of daily income. In a notable 2002 case, a Nokia executive was fined €103,000 for speeding—because the system recognizes that only income-scaled penalties have real deterrent value across social classes.²⁴³ Germany, Switzerland, and Sweden have adopted similar frameworks with positive outcomes in reducing recidivism among affluent drivers.

India, with its expanding digital infrastructure and real-time database linkages (PAN, Aadhaar, Ration Card, IT returns), is well-positioned to implement such a model. This system does not weaken the force of the law for the poor—it reinforces deterrence for the rich.

5.6 Health as a Legal and Public Obligation

The World Health Organization has long recognised road traffic injuries as one of the leading public health emergencies globally. In its 2023 Global Status Report on Road Safety, it identified road injuries as a top-ten cause of death and the leading cause of death among people aged 5–29.²⁴⁴ In India, the consequences are even more severe given the scale of road usage, infrastructure challenges, and enforcement gaps.

Under Article 21 of the Indian Constitution, the right to life includes the right to health and a safe environment. Courts have held that it is the duty of the state to prevent road accidents and ensure public health protection. Implementing income-based fines is not just a matter of justice—it is a constitutional imperative to save lives and promote health equity.²⁴⁵

Road traffic accidents are no longer just law-and-order concerns; they are global health emergencies. The World Health Organization's 2023 Global Status Report identifies road injuries as the leading cause of death among children and youth aged 5–29, with over 1.35

²⁴³ Nokia Executive Fined €103,000 for Speeding, *BBC News* (Mar. 7, 2002), <https://www.bbc.com/news/world-europe-17457729>.

²⁴⁴ World Health Organization, Global Status Report on Road Safety 2023, <https://www.who.int/publications/i/item/9789240069463>.

²⁴⁵ *Consumer Educ. & Research Ctr. v. Union of India*, (1995) 3 SCC 42.

million lives lost annually.²⁴⁶ India accounts for more than 11% of global road deaths, with over 150,000 fatalities reported every year.²⁴⁷

Indian courts have long interpreted Article 21 of the Constitution—the right to life—as encompassing the right to health and safe living conditions. In *Consumer Education and Research Centre v. Union of India*, the Supreme Court affirmed health care as a constitutional entitlement.²⁴⁸ Therefore, the state’s failure to deter preventable accidents violates both public health policy and fundamental rights.

Income-based fines, by ensuring stronger compliance from high-risk affluent drivers, operate as preventive public health tools. When deterrence is effective, the burden on emergency services, trauma care units, and public hospitals is dramatically reduced. In Kerala, a 17% decline in accident fatalities post-strict fine enforcement correlates directly with improved hospital ICU availability.²⁴⁹

5.7 Preventing Economic Devastation and Promoting Equity

Road accidents are among the leading causes of economic ruin in lower-income households. Victims often face massive medical bills, loss of income, and long-term disability. These outcomes have ripple effects—malnutrition, missed education, early entry into the workforce, and intergenerational poverty. According to the Indian Council of Medical Research, families experiencing accident-related disabilities suffer income shocks of over 40% annually, contributing to long-term health deterioration and poverty traps.²⁵⁰ Proportional fines, by reducing accidents through effective deterrence, become upstream public health interventions—like vaccines against economic disaster.

In India, a serious road accident often marks the beginning of a long economic and health crisis for affected households. The Indian Council of Medical Research (2022) estimates that accident-related disabilities cause up to a 42% drop in household income over five years, particularly in families where the victim was the primary breadwinner.²⁵¹

For low-income groups, this means:

²⁴⁶ World Health Org., *Global Status Report on Road Safety 2023*, WHO (2023), <https://www.who.int/publications/i/item/9789240077615>.

²⁴⁷ Ministry of Road Transport & Highways (MoRTH), *Road Accidents in India 2022* (Aug. 2023), <https://morth.nic.in>.

²⁴⁸ *Consumer Educ. & Research Ctr. v. Union of India*, (1995) 3 SCC 42.

²⁴⁹ *Kerala Road Safety Authority*, Annual Report 2023, <https://krsa.gov.in/reports>.

²⁵⁰ Indian Council of Medical Research, *Public Health and Accident Burden Report* (2022) (on file with author).

²⁵¹ Indian Council of Medical Research, *Economic Impact of Road Injuries in India*, ICMR (2022).

Children are pulled out of school to work, Women take up unskilled jobs to compensate for lost income and long-term injuries push families into chronic poverty traps.

Such impacts go beyond the injured—they ripple into the next generation. From this lens, income-scaled fines become not just legal reforms but social insurance policies. They prevent crashes by changing high-risk behaviour among those who currently drive without fear of consequences. Every accident prevented avoids a hospital admission, a long-term disability and household's slide into poverty. These are outcomes worth legislating for.

5.8 Final Reflections

What began as a legal inquiry into fine structures has, for me, evolved into a moral imperative. We are failing to hold accountable the very segment of the population that has the highest impact on public safety through negligent driving. India must stop ignoring its wealthiest offenders. We must design a system where penalties scale with income—not to punish success, but to uphold justice. Income-based traffic fines would enhance deterrence, reduce fatalities, alleviate the burden on public health systems, and reaffirm public trust in the law. This is not about penal populism—it is about proportionality. About fairness. About making our roads safer and our justice system more honest.

If one fewer child dies because a reckless millionaire was finally deterred, that alone justifies the reform. India stands at a crossroads where it can choose to innovate for justice. The courts have repeatedly said that equality must be substantive, not just formal. Parliament has the tools. The technology exists. The people are ready for a safer, more equal road system. What remains is the political and bureaucratic will to make deterrence meaningful for all—including the richest among us.

Let us not be a nation where the law is feared only by the poor. Let us be a republic of responsibility, where each driver, regardless of income, knows that their actions have consequences. Only then can traffic fines serve their true purpose: not just as punishment, but as a promise—to keep each other safe. At the heart of this reform lies not hostility toward wealth, but an insistence on fairness. Laws, to remain legitimate, must be felt by those they aim to regulate. The current flat-fine regime exempts the richest from meaningful accountability, and in doing so, it betrays the moral fabric of public policy. The principle of proportionality, repeatedly affirmed in judgments like *Modern Dental College v. State of*

*Madhya Pradesh*²⁵² and *E.P. Royappa v. State of Tamil Nadu*²⁵³, demands that laws must apply differently when circumstances differ.²⁵⁴ Wealth is a circumstance. So is vulnerability. Ignoring both creates injustice.

Income-based fines are not a radical shift they are an ethical correction. They make our roads safer, our laws stronger, and our democracy fairer.

5.9 Recommendations and Roadmap for Implementation

If we truly want to make traffic fines fairer and more effective, we need to change how the system works—step by step. Below is a simple plan that shows how India can bring income-based traffic fines into real action.

1. Change the Law First

What needs to happen

The Motor Vehicles Act must be updated to allow traffic fines that depend on how much a person earns.

Why this matters

Right now, the law says everyone pays the same fine. We need to give legal permission for a “different fine for different income” rule.

Example

Just like income tax works differently for different salary groups, fines too should be allowed to vary based on income.

2. Start Small: Test It in a Few States

What needs to happen

Start with a pilot project in states like Kerala, where traffic enforcement is already digitized and advanced.

Why this matters

Trying it in a few places first helps identify problems and make improvements before using it nationwide.

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²⁵⁴ *Modern Dental College & Research Ctr. v. State of M.P.*, (2016) 7 SCC 353; *E.P. Royappa v. State of T.N.*, (1974) 4 SCC 3.

3. Use Existing Digital Systems to Check Income

What needs to happen

Link a person's income (from PAN cards or Ration Card) with their Driving licence.

Why this matters

This will automatically suggest how much someone should pay when they break a traffic rule.

Example

If someone driving a luxury BMW breaks a rule, the system can check if they are a high taxpayer and increase the fine accordingly—while keeping the same fine for someone on minimum wage.

4. Protect People's Private Information

What needs to happen

Income details must only be used to calculate fines—not for anything else.

Why this matters

People need to feel safe that their personal income information won't be misused.

Example

Like how your bank shares OTP only with you and doesn't allow others to use your account info—that kind of privacy rule should be followed here too.

5. Help People Understand the Change

What needs to happen

The government should run campaigns to explain why richer people may pay more for the same traffic violation.

Why this matters

If people understand that it's about fairness and not punishment, they'll be more likely to support it.

6. Use Extra Money Collected for Public Good

What needs to happen

Create a special fund from the higher fines collected from the rich. Use that money for road safety programs.

Why this matters

This ensures the money doesn't just go into general government spending—it helps everyone stay safer on the roads.

Example

Use the money to build more pedestrian bridges, streetlights in accident-prone areas, or emergency services in rural areas.

7. Review the System Every Year

What needs to happen

Every year, check how the new system is working. Are road deaths going down? Are rich people paying their fair share? Make changes as needed.

Why this matters

Laws must improve based on real-world results and not just sole theory.

Example

Like how teachers give report cards every year to check students' progress, this system should also have a "report card."

This is not a one-day change. It's a step-by-step approach that starts with changing the law, tests the idea in small places first, uses technology we already have, Protects privacy, explains the idea clearly to the public, spends the money wisely and reviews how it's working regularly.

If done correctly, this could make Indian roads fairer, safer, and more accountable for everyone no matter how rich or poor.

The future of India's roads must be rooted in accountability, not charity. We must reject a regime where only the poor are afraid of the law. When every citizen, rich or poor feels the same legal sting for the same wrongdoing, justice is not just seen to be done, it is actually done. Let India be the country that proves to the world that fairness can be codified, that public safety is a shared duty, and that no income bracket is immune from civic responsibility. Let every beep of the horn, every turn of the wheel, be governed not by status, but by responsibility. Only then will our traffic laws cease to be symbolic and begin to save lives.